# Czech University of Life Sciences Prague Faculty of Economics and Management Department of Management



## Bachelor Thesis Evaluation of Public Relations

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#### **CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE**

Department of Management Faculty of Economics and Management

#### **BACHELOR THESIS ASSIGNMENT**

#### Hrabalová Denisa

**Economics and Management** 

Thesis title

Evaluation of Public Relation

#### **Objectives of thesis**

The aim of the thesis is to evaluate public relations activities of a chosen company.

#### Methodology

First part of the thesis is based on the literature review of used theory of public relations. The analytical part is based on methods of analysis, induction and deduction. After data collection, the matched analysis will be used and the results will be stated by the means of named methods.

#### Schedule for processing

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#### The proposed extent of the thesis

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#### Keywords

public relations, publicity, marketing communication, integrated communication, organizational communication

#### **Recommended information sources**

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#### **Declaration**

I declare that I have worked on my diploma thesis titled Evaluation of Public Relations by myself and I have used only the sources mentioned at the end of the thesis. As the author of the diploma thesis, I declare that the thesis does not break copyrights of any third person.

In Prague on 15 th March 2013

Denisa Hrabalová

Headales

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I would like to thank my supervisor Ing. Tereza Balcarová, my family and other people who contributed my work for being patient, their advice and support during my work on this thesis.

### Vyhodnocení Public Relations

#### **Evaluation of Public Relations**

#### Souhrn

Tato práce zkoumá vztahy vybraných cílových skupin, definovaných v teorii public relations, a nestátního zdravotnické střediska. Vysvětluje jeho závilosti a vliv na úspěšnost společnosti. Autor použil kvalitativní a kvantitativní metodologické postupy, a to sice polostrukturované rozhovory a bazické indexy. Výsledky a efektivita aktivit public relations ve vybraném podniku jsou vyhodnoceny za pomoci ukazatele úspěšnosti.

**Klíčová slova:** public relations, veřejnost, cílové skupiny, spolupráce, marketingová komunikace, komunikační kanály, zdravotní péče, image, reputace, důvěra

#### **Summary**

This thesis explores the relationship of selected stakeholders defined in the theory of public relations, and non-governmental health centers. It explains its dependence and impact on the success of the company. Author used qualitative and quantitative methodological approaches, namely semi-structured interviews and basic indexis. The results and the effectiveness of public relations activities in selected company are assessed using indicators of success.

**Keywords**: public relations, publics, stakeholders, colaboration, marketing communication, communication channels, health care, image, reputation, trust

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#### 1. Introduction

Nowadays methods and techniques of public relations are still seen as a new filed in Czech Republic and are not usually matter of course in each company or organization as a separate department (Kohout, 2004). Public relations have its roots in marketing as a part of management process. Marketing is a tool for the planning and implementing of pricing, promotion and distribution of ideas, goods and services with a goal of creating and trading values and satisfying the objectives of individuals and organizations (American Marketing Association, 1985). Companies are applying marketing mix that is based on 5 P's that are product, price, place, package and promotion. One of the "P's" stands for promotion or also known as a marketing communication, which is the last and the most visible tool, covers all instruments through which the companies communicate with their internal and external environment.

This tool includes public relations, which this bachelor thesis is devoted to and investigated its origin, definition, role, function etc. and then applied in a practical part of this thesis in a chosen enterprise. It is a family business and therefore in author's interest to evaluate and try to find recommendations and advice for improvement of PR activities useful for future planning by the enterprise.

#### 2. Objectives and methodology

#### 2.1 Objectives

The thesis is investigating the influence of stakeholders defined in public relations theory on company's success in a specific field of private health care. The main objective is to look into the specific kind of cooperation between external stakeholders that are a foundation for running such a business in a private health care nowadays. The evaluation is showing how PR activities affect maintaining and development of these external relationships that have a big impact on company's success.

#### 2.2 Methodology

To be able to give reliable and valid results, author is using qualitative research method of in-depth interview with semi-structured format. Five doctors were interviewd from the region of Prague. Each one of them is specialized in a different branch of health care, a neurologist, orthopedist, gynecologist, surgeon and general practitioner. None of them was willing to be mentioned by their names. Interviews were managed with set of questions focused on cooperation between respondents - doctors and the chosen enterprise. Meetings took places in facilities where the doctors work after or before their office hours. One interview took approximately 30 minuts depending on the interest on topic of the respondent. The set of questions is attached as a supplement in the back of this thesis (see supplement 1 and 2)

Results of an interview method are accompanied with basic index method, which is comparing numbers of clients/patients through the time of period the enterprise has been managed by a current owner and displays an attendance comparing the base year 2007 towards upcoming years till 2012.

#### 3. Literature overview – theoretical part

#### 3.1 Definition of public opinion

Urban (2011) indicates that the contemporary information society is full of many opinions made by individuals and publics according to various questions and issues. Public opinion is crucial for business entities, politics and other active individuals working on their plans and defending their actions. There are many people driven by what publics consider as a decisive behavior when they are dealing with some issues and some of them take the public's opinion as their own.

Kunštát (2006) explains: "In sociology the term opinion is understood as a reflected expression of human to a certain phenomena, covering a wide variety of feelings, rational beliefs etc., which are to a certain extent considered as evaluation purposes."

The term public opinion by Mišovič (2010) still has not stabilized in one general definition. The author of this term (opinion publique) is considered to be a French philosopher Jean Jacques Rousseau (1712 – 1778). The origin interpretation can vary in the context of history but the basic character is the same to all views. It regards to a same opinion, evaluation in community environment, society. Reifová (2004) develops another view: "This term is currently used for labeling a set of opinions, attitudes and ratings through which members of public, society are expressing themselves to a certain public issue. It is also used for designation of an opinion consensus between members of publics achieved by their mutual discussion. The last meaning for this term is people's attitude and opinion, by which they act towards to strangers, and which can differ from their own private one." Kunštát (2006) notes that public opinion is a specific kind of a public response, an aggregate subjective judgment of individuals.

#### 3.2 Origins of interest in public opinion

Šubrt (1998) states the term public opinion as a voice of people was well know by rulers and also thinkers in the Ancient period, the Middle Ages and also Renaissance. A footprint of this term is based on Greece word *pheme*. Urban

(2011) says that Romans used another form fama popularis and in the Middle Ages it was used the term vox populi, vox dei – voice of people, voice of God. In the 17<sup>th</sup> century John Locke (1632 – 1704), English philosopher, introduced a term Law of Opinion and Reputation. He considered it as a law to have an opinion and stands next to God's law and corporate law. The 18<sup>th</sup> century David Hume (1711 – 1776), Scottish psychologist, philosopher and economist, said that PO is holding all government and J. J. Rousseau (1712 – 1778) about legislators having an obligation to respect PO. Urban (2005) further states that 18<sup>th</sup> century was also affected by Charles Pinos Duclos (1704 – 1772), French writer, who also used the term public opinion but for him the word public but from his point of view it stands for receptors of literature work. "Publics is producing certain opinions, which are giving some kind of reputation to the concrete literature work." (Urban, 2005) Gabriel Tarde (1834 – 1904), who was a sociologist, social psychologist and philosopher, had idea of connection between phenomena development of PO with the origin of publics itself. Tarde attached a rapid growth in development of this phenomenon because of communication channels expansion.

#### 3.3 Public opinion in 20<sup>th</sup> century

Šubrt (1998) continues with an explanation time period in the beginning of 20<sup>th</sup> century the term of public opinion as follows: "Public opinion is taken as a form of collective soul, or as a group mind, in other words as a supra-individual reality, which is non-convertible to a summary of individual opinions and which are also towards to these individual opinions represents a higher quality of public opinion." American sociologists distance themselves from this definition and the basics for any research questions became individuals and individual psychic. The phenomenon was receipted as a summary of individual evaluative judgments. The second half of 20<sup>th</sup> century was PO characterized by explosion of mass media, television, radio, printings and development of personal telecommunication. A global Internet computer network comes ahead as an important medium creating PO. The social dictionary (1996) introduces many new terms as – public, audience, crowd, mass, attitude, opinion, information, communication, mass communication, social communication, media communications, communicator and propaganda. "Public is known as a bigger part of society (population) manifesting interest in

social activities, solving issues and actively demonstrating." Buriánek (2001) states public as a summary of individuals connected by elementary interest in a particular area. And then he defines: "It does not have any organizational system but it has to have an ability to communicate, express agreement or disagreement."

#### 3.4 Origin and development of PR

The phrase *public relations* (PR) is based on an explanation of the first word *public*, which gives the meaning to the phrase itself and as it was explained in the previous chapter. We can recognize the first application of public relations methods more than one hundred years ago. In the 19<sup>th</sup> century there was a famous journalist Ivy Lee who studied sociology, economics, psychology and journalism at Princeton University and later he became a journalist of the New York Journal. He had many opportunities to attend trials, for example about a reliable and reputable bank, which was threatened by bankruptcy. The view of publics on this situation would be naturally fear and lead their customers to cash out all their money and that would definitely shut down the bank. Ivy Lee had the unique option to study various forms of public opinion (PO), its power and consequences. While observing he came to an idea about how he could apply his findings in reality to be able to answer the question about influencing, mastery and focusing on concrete goals that are desirable for any subject.

The thought was based on comparing the weather to the PO, he devised as following, if the PO has the power of a hurricane, which is able to destroy then rationally it also must have a power in a positive way. In 1906 there was a private corporation called Pensylvanian Railroad Co. providing railway transportation. They were faced with a big accident that costs many of human lifes, injuries and property damage. The view of publics on this situation would be naturally fear and lead their customers to cash out all their money and that would definitely shut down the bank. They asked him for help after this tragedy to calm the situation down and bring back their good name. He applied few steps, which led to coming customers back and even strengthening their good name in the railway industry.

Because of this story Ivy Lee became a former of application public relations methods in practice - real world. Another significant person who amplified theory of

public relations is Edward L. Bernays. He wrote the first textbook about this theory and also taught it as a course at the university. E. L. Bernays did a lot for introducing methods of public relations to the scientific world and its acceptance. He is considered as a founder of the profession of public relations and he is the author of the first book about PR, which was released in 1923 by the title "Crystallizing Public Opinion" (Kohout, 2004). As Lesly wrote:

"Public relations are a phenomenon and a part of today's reality. PR was formed as a consequence of ongoing changes, which accelerated the development of the world and therefore divided the population to many divergent groups in which every each of them is trying to achieve different goals but all of them need to cooperate for the attainment of general progress." (Lesly, 1995)

As the civilization has been growing we are faced to a lot of new problems that we were not use to solve in the past times because the classifications of groups were given (social, religious, political, economic). Another alteration are caused by easily accessible technology, higher level of education, mobility and mainly the way how people are able to communicate also brings changes how people perceive and evaluate their surroundings and make choices. A spoken word and a print were the only two possible communication channels in the twentieth century. After then we can talk about cinematography, device for recording and reproduction of sound, television and another media made for providing information. This communication explosion enabled an approach to information to everyone who is willing to explore and learn something new, simply get information about anything from any place in the world. The scope of knowledge increased a lot and a variety of the current communication channels has transformed and influenced the world of humans in everyday life. Nowadays people are driven by their own will and opinion, which is based on their morality, group code (students, farmers, musicians, etc.). There are no such authorities, who would enforce the law that has to be complied by a subordinate audience.

The idea of Lesly (1995) is following: "The priority is to achieve at least an agreement if not a support of those who are expected to fulfill the rules, which are set up,...". The first part of our century was focused on inventions. The second time

of period was characterized by state administration and the end is managed by relationships between humans, which determine how each part of society is going to behave. This point leads to the core of what is the role of PR, dealing with questions asked by publics, to be able to see changes, analyzing them and searching for a balance. Publicity was the starting point for PR itself, which is nowadays the inherent part of this discipline.

P. Lesly also explains: "As it gradually became more difficult for people to get to know each other, it became perforce to say about themselves something to others. In its development PR little by little brought together more functions not just giving information about an individual or a group." (Lesly, 1995) Functions included in PR are able to analyze what opinion is circulating about the concrete observed group or community. The result helps to find and implement required changes needed for a consistency with others. PR are focused on methods how to achieve the consistency and work on activities, which are considered as the most suitable for a given strategy.

#### 3.5 Definition of public relations

The used term "public relations" is well known all around the world. The Committee on Terminology of Public Relations Society of America tried to find a concept of this discipline and explain the magnitude by issuing a final report that can be summarized as following: "The area of public relations has been developing and includes a wide range of social spheres. Therefore there is no reason to suppose that the term is comprehensible in general, especially if it is used in an extent branch of various disputable areas. All the other terms indicate one or a few phenomenons." (Lesly, 1995)

Because of relevancy its role, PR became a universal category in any area of social life, communications channel, business, administration and institutions. American author Stephen P. Banks states: "Public relations are born from a contradiction and are completely absorbed in it – if there is no need for change, there is no need for application of PR methods." (Banks, 1995) PR are considered as a tool for communication and exchange of ideas facilitating changes. The core is

based on event analysis of a company and observing the influence on relationships between of a company and public or organization's reputation.

Another definition says: "Public relations mean communication and exchange of ideas either in a reaction caused by change, or in order to bring a change." (E'tang, 2007) Philip Kotler states in his publication, that PR is basically about growing good relationships with various stakeholders based on a positive publicity, creating a company image or illuminating negative rumors. (Kotler, 2004) This department of marketing management makes certain of activities are made in a proper way, information are flowing out to publics in a right time so its publics exactly know what it is doing, in other words corporate reputation. Public is able to believe when it has all information needed, so the company has its trust. The aim is not to sell goods just once but to be able to sell regularly and in a long-term run. Public opinion is really strong tool, which can destroy company's image pretty easily therefore PR must pay attention and be precise. Psychology, sociology and journalism are core disciplines that establish PR science. It also isn't any kind of advertisement but a range for a creation of modern advertisement.

#### 3.6 The Role of PR

The second part of a study Advance Planning Committee of the Public Relations Society of America indicates: "Stability of our society is depended more and more on how we manage the balance between of social, political and cultural powers, which are all set up under conditions of group attitudes." (Lesly, 1995) Opinions of groups are creating a special environment where PR brings its professional attitude which other people are not able to cover.

The task is to have still the latest information, be at the center stage of everything going on and also deputize a middleman between its employers and publics. Even though workers in PR recognize the importance of customer's satisfaction and creating of profit, the major interest is goodwill and good reputation. They want publics to respect the company. The condition for PR specialists is to be absolutely familiar with their company's needs, attitudes, ideas and image. In the same time they need to be pretty close to publics. The task of being in the center stage of everything is not usual for any other branch of specialist

but PR because other specialists always point on the concrete issue and are interested just in their branch. A person who is working in PR must be able to apply extraordinary abilities and see future trends according to changing attitudes of company's publics. If any change comes, PR specialist must recommend a procedure how to fit into new trends and new conditions under the company should operate. (Lesly, 1995)

The goal of PR is to stress importance of non-marketing groups in the meaning of goodwill, which lasts for a long-term views. A quality of PR is the resource for successful functioning for the whole marketing communication (MC). Customers pay attention to company's reputation because they believe that good reputation goes hand in hand with good quality product and there is a really small possibility that they would be interested in a production of company they do not know at all.

#### 3.7 PR and trust

The most powerful factor in nowadays highly competitive market is a trust of publics, and companies are with this fact very well acquainted. But creditability is not depended just on customer's opinion on a concrete product it is also relationship between company and its employees, government agencies, shareholders, dealers, distributors, suppliers and others. Opinions and views of all these groups are vital and indispensable for a success of the company. "The value of trust is well seen in cases of having no trust at all." (Lesly, 1995)

Consequences of not having a trust cause a change, decreasing profitability. There are few elements that may bring this kind of change like decreasing of labor productivity, abnormally high absence or fluctuation. All these mentioned changes raise inability to compete companies with higher trust of their more productive employees. An example of employees, who are not satisfied, is a strike. Organizations are dealing with incriminatory information like allegations of employment discrimination or unfair practices used against customers. Government institutions and other committees observe these improper attitudes and can cause higher risks for the company, when it comes to financial control procedures. It is also possible that a company do not follow trends and has inadequate plans.

"As the a human improves his health, if he feels sick, then a company should be able to recognize a need for keeping its trust or if it finds out any shortage of factors influencing it." (Lesly, 1995) It stands to a reason that the company should prevent this kind of situation and not just wait until the company comes to a point, where the trust is completely lost. Current executive management in general is aware that a healthy company and its platform, where specialists operate in production, sale, finance and management also needs also specialists in attraction and retaining of credibility. PR works through many discipline to catch attention of its publics to obtain their trust and also explains what business activity is the company working on, because any step made by a company is influencing somebody's opinion. (Lesly, 1995)

#### 3.8 Company's image

A term *image* was derived from *imitari* which means imitation or reproduction and can be explained as an idea about something, in other words positive image means a good name, reputation in public, sometimes just good feeling when the brand is mentioned. (Bromley, 1993).

Kohout (2004) states that the term image is understood as a goal function of PR methods. To create a positive image about organization, institution but also a new product or location, it is necessary to form a purposeful effort and long-term action of precaution, included in application of PR methods. Companies invest extraordinary amounts of money for creating, maintaining and developing of a positive image. Nowadays overfilled market is not easy to penetrate with new products, take a place in it and be also accepted by publics. Another factors creating an image are: perfect quality product, reliable service, reasonable price, a continuous process of innovation and systematic work of the company in favor of customers.

#### 3.9 Weakness and strengths of PR

Marketing communication, in other words, one of "P's" also known as a term promotion leads the opinion of how publics perceive the reputation of a company and its products. A comparison of PR itself and marketing promotion reveals many weak and strong points of PR functions.

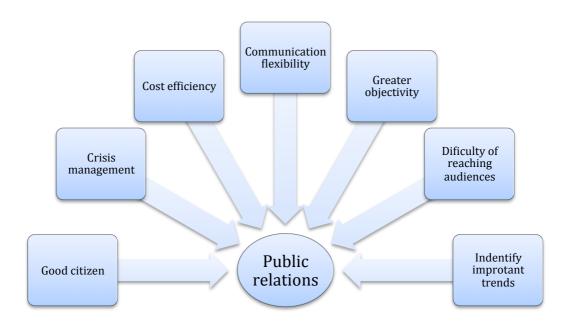


Diagram 1: Strengths
Source: Pelsmacker, Patrick, Marketing Communications: A European Perspective (3<sup>rd</sup> edition) Pearson
Education Limited Harlow, England, 2001, ISBN-10: 0273721380

PR is received better than any other tools of MC. It is targeted on significant stakeholders and audiences difficult to catch their attention like creators of PO, opinion leaders (OL), investors and financial analysts. This part of the publics doesn't care about advertising but in the same time they are curious about new products and can be influenced by PR activities. PR workers can evaluate new trends and their consequences on company's marketing efficiency.

The first catchword in diagram above is good citizen and the meaning is explained as following: "PR can present a company as a good citizen and thus contribute to strengthening corporate image and reputation." (Pelsmacker, 2001) In the times of crisis PR stands in a position of good reputation keeper. Activities of PR are not controlled by government regulations as much as advertising and therefore it has bigger flexibility. Media coverage is mostly free which gives PR another advantage and provides that cost are moving on a low level and brings cost efficiency. The coverage is so wide that various kinds of groups are attached in a great volume for pretty low costs comparing to advertising. Publics consider PR activities much more credible and interesting than paid advertising which generates doubts about company's communication.

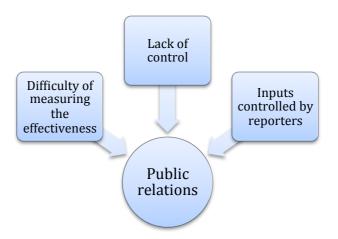


Diagram 2:Weakness

Source: Pelsmacker, Patrick, Marketing Communication: A European Perspective (3<sup>rd</sup> edition) Pearson Education Limited Harlow, England, 2001, ISBN-10: 0273721380

The content of press release or news is not controlled and impossible to somehow manage, which is seen as a major disadvantage towards the advertising. Media state distinct priorities and variety of information resources and printed text can vary from information issued by PR department. The role of publicists is underlying because if they do not find the given information to be remarkable they let it out and use information with bigger value. An efficiency of PR is not easily measureable and can be reviewed by how much space is used in newspaper or given time in the radio and television. But still we cannot judge long-term activities incurred by PR.

#### 3.10 Trends and issues in PR

Employees as a relevant group of publics require a special attention, which includes an effective communication between them and their managers. Also creating of brand inside the company is getting more important. PR has its role in both of these areas. As the customer's awareness grows, it leads to more vivid interest about company's activities and that brings a need of proactive PR and also crisis management.

There are many new associations created by sort of publics with the same interest, for example consumer protection, environment protection, which apply tactics of confrontation and shows how skillful and experienced PR workers are. As Pelsmacker states in his book: "The globalization of marketing activities and access

of the middle and east Europe market also brings changes into marketing communication. PR departments are playing a major role as a tool for understanding the changes, obtaining information on the extent and application of government regulation on strategy used by a company and also for getting to know a new environment and prepare it for new marketing attitudes. PR departments are more and more required for a global reach and campaigns addressing the publics in a global scale." (Pelsmacker, 2001)

PR doesn't have a good reputation in general from the time when PR activities were used and associated with press conferences, organized by stakeholders and manipulated by media. To bring back the faith of publics and rebuilding the image, a priority goal was taking the PR tools to the next level, which means represent it as a strategic tool used by top management and develop a method of measurement, which would be able to record an efficiency of PR activities as another view and decisive statement in a long-term profitability of a company. According to opportunities and threats of new environment, which is affected by new technologies like the Internet and other communication channels, PR has to follow and modify its strategy as well as other forms of marketing communication. A quality of PR is based on plan, which has similar points as other tool of MC, precisely defined stakeholders, goals and a message that are set up, tools and communication channels used, timetable and a budget. There has to be different attitude to each group of stakeholders according to its various needs, goals and suitable tools. (Pelsmacker, 2001)

#### 3.11 Stakeholders - goals and tasks

The publics, various types of groups and stakeholders are people who are not directly related to sale of products but their opinion on products is crucial and decisive from long-term point of view for a company. These types of publics are selected into a few groups. As it is shown in the table below there are two types of PR, one stands for company PR and one for marketing. Company PR focus on keeping good relationships and goodwill to all public groups and all these groups are and could be important for the company in a long-term horizon. Marketing PR is depended on business partnerships like suppliers or competitors, who are connected

to the MC directly. Both of them, company PR and marketing PR are working together and support each other. Next distribution specified in the table is into internal and external relationships. Another typology is direct and indirect PR which is derived from each other in focusing on a certain stakeholder or just on publics in general.

		Mar			
Internal	Public relations, affairs	Financ ial	Media	keting	
Employees	Publics	Investors	Television	Suppliers	
Employee's families	Local community	Bankers	Radio	Distributors	
Sections	Government	Consultants	Press	Competitors	
Shareholders	Business Association	Stock exchange	Business press	Wholesalers	
	Pressure groups			Retailers	

Table 1: Types of PR and publics

Source: Pelsmacker, Patrick, Marketing Communication: A European Perspective (3<sup>rd</sup> edition) Pearson

Education Limited Harlow, England, 2001, ISBN-10: 0273721380

#### 3.11.1 Internal PR

Pelsmacker (2001) explains that the primary concern of internal PR is informing employees about company's strategy, their role in the stated procedure and realization and also encouraging their motivation. "Internal communication starts to build company's identity, motivation and training in a way, that employees comply with it all in a desirable manner while negotiating with publics. Employees need to be familiar with all major steps the company makes like events, strategy decisions etc. that can influence them directly. Once they are introduced to some new approach, the company needs them to accept this fact and also raise a motivation so the employee wants to become a part of it and contribute with their work.

#### 3.11.2 Financial PR

The external financial group, shareholders, investors, advisors of possible shareholders and consultants, these people can be represented by consultants as well as banks, is pretty important for any company who wants to have long-term opportunities how to obtain finance sources for its activity. The basic goal is to gain and maintain the image, which would be reliable for investors. Pelsmacker (2001)

indicates an example of PR activity in this area like good preparation and presentation of annul financial report, company's entering to a stock market or financial information according to fusion and acquisition.

#### 3.11.3 PR and media

Media are considered as the most substantive connecting link between publics and a company, and because they have an influence on opinions of any group mentioned above, it is desirable to create and keep good relationships with them. Clow (2010) underlines: "The company usually has little power over what these groups say or how they interpret information about the company. It is important therefore, for the company to disseminate positive information and quickly react to any negative publicity or views that are expressed." Aims of this type of PR are to inform, grow prosperous attitudes, creating a positive image for the goodwill and support of latest new products that are connected to the marketing department. A good quality relationship with media can cause beneficial comments, when a company brings a new product to the market or good evaluation of a various company's activities can gain publics to start paying attention to the company's events and sponsorship.

#### 3.11.4 Marketing PR

The last group called marketing PR, as it is obvious from its title, is directly connected to a process of product sale and support of company's brand. It belongs to marketing communication and is directed by a brand manager. Pelsmacker (2001) notes usage for renewal of already existing products, for example events for publics when opening a new store, celebrations for special time of period when the company sells a high number of products. Tools applied for this type of PR are usually sponsorship, special events etc. with the purpose of powering relationships with distributors and suppliers. Pettigrew (1989) gives an example of the most common utilization of marketing PR in the music industry, when the commercial success starts with a great image that needs to be built when artist enters to music business. Specialist for building an image state what kind of music is needed to produce, how the tune should sound like, what kind of clothes is appropriate, when and how the artist should give interviews etc.

#### 3.12 PR tools

PR specialists use many tools and channels for achieving their stated goals. Pelsmacker (2001) notes, that these tools are chosen according to the stakeholders but also there are many tools commonly used for different group types. Clow (2010) states: "...These include company newsletters, internal messages, PR releases, correspondence with stockholders, annual reports, and various special events. Even a bulletin board in the company's break room can be used to convey messages to internal stakeholders." The aim of PR is to get hints. A hit can be defined as a company's name in a news story. Depending on the impact on a company there are positive, negative or even neutral. The concept is based on appearance of hits in the news, Clow (2010) futher explains: "..the more a consumer sees the name of a company in a news-related context, the higher the brand or company awareness will become." This statement is partly true and party not, because it is necessary to think about the type of image that is forming and apply strategy, which may not give as many hits but secures that every informational output is accepting in positive light and also reinforce the company's IMC composition.

#### 3.13 PR functions

PR department is mainly interested in its external and internal groups and therefore functions of PR are established on them. These are tasks are performed by public relations personnel, whether they are internal or external members. There are five key functions described by Clow (2010) as following.

#### 3.13.1 Identify internal and external stakeholders

The first point when identifying stakeholders is mentioned because of their vested interest in company's actions. Clow (2010) indicates a vested interest by following examples, profits paid as common stock dividends, loan repayments that a lending institution seeks to receive, sales to the company or purchases made from the company, wages paid to employees, community well-being, a special interest topic.

#### 3.13.2 Assess the corporate reputation

The next mentioned function is assessing corporate reputation, which is pretty delicate and valuable activity that needs to be managed and controlled. "Well received corporate and brand names can enhance businesses during the good times and protect them when a crisis or problem occurs. Consumer preferences about which brands to purchase are influenced by a company's reputation." (Clow, 2010)

People decide where they use their finance according to a company's reputation. Also potential employees searching a company, where they want to work, are motivated by corporate reputation. People are often distrustful when it comes to a big business and its motives. Evaluating and managing a company's reputation have the same value as any other activity. Department of PR cannot operate well and with efficiency if managers are not familiar what people think, about what their doubts are about and how they perceive a company's reputation in general. Assessment is made by conducting of surveys and interviews to reveal opinions about the company. The surveys and interviews should be made internally and also externally.

#### 3.13.3 Audit corporate social responsibility

Third objective is auditing corporate social responsibility. As Clow (2010) indicates: "Social responsibility is the obligation an organization has to be ethical, accountable, and reactive to the need of society. Business experts agree that socially responsible firms are more likely to thrive and survive in the long term." Companies executing appropriate activities create an affirmative publicity and customers are devoted that bring in a good firm's image.

Unfair practices like pollution, harassment and other negative activities can very strongly harm the company that's why it must work effectively on reductions in these areas and prevent from suffering a negative word of mouth comments. Consistent management can control these activities and reduce them so the company's image is kept in safe and it can also cause an increase in positive perception of the company. "The purpose of a social responsibility audit is to make sure the organization has clear-cut ethical guidelines for employees to follow and that the company acts to serve the interests of all publics. Guidelines include use of

a corporate or professional code of ethics, specifying activities a company will pursue." (Clow, 2010) PR department is in charge of making sure that internal publics are well informed of a company's social responsibility efforts. Another task is to inform general public about developed activities and help improve the company's image. The following table shows examples of activities that affect a company's image.

Image-destroying activities	Image-building activities
Discrimination	Empowerment of employees
Harassment	Charitable contributions
Pollution	Sponsorship local events
Misleading communications	Selling environmentally safe products
Deceptive communications	Outplacement programs
Offensive communications	Supporting community events

Table 2: Activities affecting a company's image

Source: Clow, E. Kenneth, Integrated Advertising, Promotion, and Marketing Communications (4<sup>th</sup> edition) Pearson Education, Inc., Upper Saddle River, 2010, New Jersey. ISBN-10: 0-13-815737-5

#### 3.13.4 Create positive image-building activities

The fourth task is creating positive image-building activities that include creating of consumer's and other stakeholders view about the company. Nowadays many firms apply cause-related marketing and green marketing, which are also called planned events, and are designed to attract attention to the company.

#### **Cause-Related Marketing**

This branch of PR attitude is a program when a company connects a marketing schedule to a charity in a purpose to create goodwill. "American businesses pay over \$600 milion each year for the right to use a nonprofit organization's name or logo in company advertising and marketing programs. This type of partnership agreement between a non profit cause and a for profit business is based on the idea that consumers are more likely to purchase from companies that are willing to help a good cause." (Clow, 2010) Marketers use this attitude to enhance brand and implant brand loyalty to consumers and businesses.

#### Green Marketing and Pro Environmental Activities

The strategy of green marketing is focused on product development and promotion that is safe for environment. Clow (2010) says that consumers favor safe products and most of them do not sacrifice price, quality, convenience, availability, or performance for keeping the environment clean and safe. Company is able to benefit from green marketing if it identifies market segments especially product segments that are environmentally friendly. Company leaders are responsible for this strategy choice and must consider if it interferes the target audience. "Most business leader believe their companies should be involved in protecting the environment and creating green products, however, the marketing emphasis each one gives varies. If it thinks new customer will be gained or product sales will rise, the company will be more likely to aggressively promote its environmental stance." (Clow, 2010)

#### 3.13.5 Prevent or reduce image damage

The last but not less important mentioned function is preventing or reducing image damage. Clow (2010) defines damage control as following: "Damage control is reacting to negative events caused by a company error, consumer grievances, or unjustified or exaggerated negative press."

Bad news are spread quickly and can harm the company hard. Negative publicity does not travel just by media but also by world of mouth communication from employees, other people who are connected with a company and also customers. This method is used when the company has made a mistake or any kind of injustice or when there is excessive negative press. A company can use two forms, how to handle it.

The first is proactive prevention strategy, based on not waiting for bad situation and then act but on charging employees with an aim to minimize any unwanted effects of bad press. It uses entitlings, means an association its name with a positive event, and enhancements when there is a big deal made out of something small and then has a quite big success. The second reactive damage-control strategy is reacting on unpredictable situations. In the time of dealing with negative publicity, crisis management and other techniques should be suggest to help with

recovering of company's image and uses Internet interventions, crisis management programs, apology strategy and impression management techniques. (Clow, 2010)

#### 3.14 PR in health area

Health is a subject of government public policy and international standards given by World Health Organization and is also connected with economic decisions. E'tang (2007) indicates that health area is also highly politicized and controversial in media. The subject of health is still changing because of scientific and political reasons and change itself is inherent. It goes hand in hand with many factors as changing opportunities in health care, development in pharmaceutical industry in new treatments but also threats in aging population and obesity crisis.

All these topics are discussed in media and PR have few options how to take a role in it and act: lobbying, problem governance, crisis management, rhetorical work, media relations, campaign, fundraising. These actions are taken because of the fact that health is a scarce resource and new threats are always spread quickly and naturally, every human being is taking care of his health as a basic assumption of quality life. Sandman (1999) states: "...media coverage can get in extreme cases, like a severe acute respiratory syndrome, spiral because health risks are frightening, create human dramas and can cause a giant extent." Bennet (1999) describes a media panic, which means a threat being unreasonably inflated, in other words, a situation when there are no detailed and understandable scientific facts and news are full of media speculations. A scope of media coverage is not just a tool for scientific and health organizations but also important information source and potential effect on all humans in everyday life.

#### 3.15 Budget

As any other department, the one specialized in PR must prepare a budget plan and its own measurable objectives. According to Gofton (1997), there are few possible methods how to state a budget.

#### 3.15.1 Historical comparison budgeting

A technique using estimations from last years and is adjusted according to present situation. In case of introducing new product to a market, expected budget is

going to be high but if there is a decrease in competitors the budget will probably drop. This technique is not usually the best one, because baseline data may not be appropriate. It has a lack of strategic target and do not monitor the internal environment or opportunities and threats for PR.

#### 3.15.2 Resource budgeting

The second possible technique is resource budgeting. As Gofton (1997) indicates: "For utilization of resource budgeting managers consider what resources are needed, for example another spokesperson, coordinator of PR activities, etc., and calculate how much it will cost." This method is more focused on real needs of PR department.

#### 3.15.3 Budgeting based on activities

The first step is planning of programs and PR activities and then calculating the budget. Positive aspect consists of tasks that have to be implemented but in the same time it does not consider a long-term view, which can be seen as a weakness of this technique.

#### 3.15.4 Competitive comparison budgeting

Gofton (1997) further explains: "A method of competitive comparison is pretty similar to budgeting based on activities, but there is a difference in defined PR programs and activities and agencies subsequently encouraged to development of proposals and budgets." The asked agencies are working on a budget from higher view according to competitors.

#### 3.15.5 Share of income budgeting

Budget is assembled after predetermined increase income or turnover. It also misses, as the first method, a strategic focus. Gofton (1998) mentions: "...and if there is an increase in PR budget along with increase in turnovers, it loses its internal logic, because in that case a PR budget could fall."

#### 3.15.6 Sectoral comparison budgeting and fixed rating

Method of sectoral comparison is revealing information more appropriate for benchmarking (a measurement of the quality of an organization's policies, products, programs, strategies, etc., and their comparison with standard measurements, or similar measurements of its peers) rather than for budgeting because it does not monitor a strategic aspect and relation to a defined task. A fixed rating is explained by Haywood (1998) as following: "A method of fixed rating (scoring) defines audience and goals, that should be achieved. For example 30 percent of awareness and 70 percent of positive attitude among the public and financial stakeholders at the end of this year." PR department choosing this method can also utilize experiences from applying other communication tools such as advertising or direct mail.

#### 3.16 Measurement of PR results

Results and efficiency of PR campaign can be analyzed if measurable objectives are set. Haywood (1998) notes that short term and long-term awareness, opinion changes, attitudes and a trade name should be measured for each stakeholder. "A development of turnover or market share is not good indicator because either one does not represent objectives of PR activities and is influenced by other tool of marketing and communication mix." PR results are based on three performance measures – inputs, outputs and indicator of success.

Inputs indicator focuses on PR activities such as number of new hits, interviews, business meetings, visits in supermarket and sent brochures. "It is a measurement effort, not results and therefore it is not advisable for PR efficiency but can be useful for finding of implemented activities." (Haywood, 1998)

Output indicator measures PR results in media coverage and publicity. It includes space in publications, time dedicated to a company in television, event or brand, length of the printed message, style of used titles or level of viewers and readers. Evaluation of this technique by Haywood (1998) is following: "Measurement of outputs is a useful indicator but nevertheless does not provide information about stated objectives and their fulfillment."

Success indicator concentrates on a range of predetermined objective and its achievement related to groups that are considered as an object of interest. The procedure is very similar to a measurement of advertising efficiency for example, share of attained audience, changes in knowledge and awareness, changes in

opinions and attitudes, development of image and goodwill, extent of changes in behavior.

#### 4. Practical part - MOTUS-Rehabilitation, Ltd.

#### 4.1 Introduction and history of MOTUS-Rehabilitation, Ltd.

MOTUS-Rehabilitation, Ltd. was established in 2001 from the group initiative of three physiotherapists working for an unnamed bank in Prague. The main initiator was the bank itself, which opened up this medical facility for its employees within its central building. From the former employees they became companions who founded a separate legal entity for a purpose of providing medical treatment in physiotherapy, massages and physical therapy.

In year 2007 this medical facility lost due to moving out the bank center building, in other words, 90 percent of clients (bank employees). Companions were not able to ensure enough of new clients to facilitate a business continuation. As a matter of fact, there was also a problem with finance management, lack of financial resources connected with moving the facility and modernization of existing equipment. These factors led to company failure. In May 2007 came a current owner and bought out the enterprise from their companions, got and became the only CEO of MOTUS-Rehabilitation, Ltd. Then the owner started with recovering the business with moving the facility to its new location, acquisition of new and modern technical equipment and mainly made a fundamental shift in expertise of employees - replacing of employees, physiotherapist with non-university education replaced by a therapeutic team made up of university-educated professionals - Physiotherapy Masters, who guarantee the high quality care. The rise of new employees with a university professional education facility was officially ranked among facilities with higher categories of expertise.

MOTUS-Rehabilitation, Ltd. is nowadays characterized as a private medical facility providing comprehensive outpatient-type services in physiotherapy for children and adults in all clinical areas.

#### 4.1.1 Definition of physiotherapy

Physiotherapy is a branch of medical work aimed at the prevention, diagnosis and treatment of musculoskeletal disorders of function. It is provided, where the movement and function of the body violated or threatened by the aging process, congestion, accident, illness or congenital defect. Through the movement and other means of physical therapy and targeted influence functions of other systems, including the psyche.

#### 4.1.2 Provided services

MOTUS-Rehabilitation Ltd. offers comprehensive technical examination of the determination of musculoskeletal physiotherapy diagnosis and therapeutic plan. In the context of individual care optimally combines both basic and special therapeutic procedures for physical therapy, manual techniques and physical therapy equipment at its own discretion to implement the therapeutic plan for the removal of difficulties or pain, function optimization and speed recovery, improve quality of life and fitness clients of all ages. It also includes instruction in the prevention and advice on auto-therapy, ergonomics, work environment and overall locomotive client mode. Restorative services such as massage classic, Breuss Massage, Dorn Method, manual lymph drainage. As an adjunct to individual care the facility offers different types of physical therapy such as magnetic therapy, electrotherapy, ultrasound therapy and a new form of treatment called Reconnection healing.

#### 4.2 Image, reputation and trust

An area of health care is a really sensitive topic when it comes to have a good image because nobody is going to visit a medical facility where clients are not comfortable and mainly do not trust their physiotherapist. The image is pretty closed to trust of external and internal groups, who are sharing experiences and make their opinion quite strictly. In the case of the chosen enterprise, the image is built on high quality health care based on the specialization of provided services, modern equipment and a human sensitive approach to its clients. All these factors also affect client's therapy process from psychological perspective of successful treatment and for the facility a positive feedback. The reputation is derived from client's experiences through the whole time of their cure.

#### 4.3 Analysis of stakeholders and its communication channels

The theory in chapter 3.11 explains distribution of public into stakeholders and then into three major groups as internal, external and marketing. The enterprise does not have all mentioned group members but has its own distribution as the following table 3. shows:

	External			
Internal	Public Affairs	Financial	Media	Marketing
Employees	Publics	Insurance institutions	Health newspapers	Suppliers
Employee's families	Doctors	Banks	Internet website	Competitors
Trade Union of Health and Social Care	Government		Social media	

Table 3: Stakeholders in MOTUS-Rehabilitation, Ltd.

Source: Author's input with basic structure by Pelsmacker, Patrick, Marketing Communication: A European Perspective (3<sup>rd</sup> edition) Pearson Education Limited Harlow, England, 2001, ISBN-10: 0273721380

#### 4.3.1 Internal groups

As it was said in the chapter 4.1 the fundamental change after management takeover was the specialization of employees. They are still educating in new additional physiotherapy methods and are financially supported by the manager. It motivates them for developing themselves as specialists. The employee's satisfaction with their job placement and supporting their skills have either positive impacts on employee's family members who are considered as the second closet group of people towards to the enterprise. They share information and experiences about the enterprise from what they have been told in their environment and also influence image, reputation and trust of the enterprise. Overall change of information between clients and employees is based on a direct communication as well as communication between management and employees which is completed by emails. So far the manager has not made any special steps for creating a relationship with Trade union of Health and Social Care because it was not considered as a major part of the external groups.

#### 4.3.2 External groups

The key members included in external groups are doctors and insurance institutions. There is a special contract signed by the facility and insurance

institutions representatives called Cooperation Agreement indicating a relationship through the business to business (B2B) communication channel provided by information system designed for medical facilities. Insurance institutions are paying the facility for the number of treated patients in each 6 months according to the region of town. These numbers are observed and processed every 3 months and are the basement for creating a budget that will be paid to facility.

Doctors are playing a role of middleman between the enterprise and the insurance institutions. They prescribe a special document called Voucher for examination, which provides a health care in a medical facility for clients, in other words, clients do not pay directly to a facility but their healing procedure is covered from their health insurance. The only condition for them is to be logged in a one of insurance institution the facility is in business relationship with and of course to have a valid insurance for the given year. Only doctors are allowed to issue Voucher for examination and they are also in a contract with health insurance institutions. The facility prefers a personal meetings or telecommunication.

MOTUS-Rehabilitation, Ltd. belongs to a category of small and medium sized enterprises and therefore uses the most accessible and affordable communication channels according to costs. The main focus is determined on the Internet website www.motus-rehabilitace.com, where anyone can find offered services and additional information about provided procedures. Management also created a fan page on the social network Facebook, which is still in progress but also offers basic information about the facility.

The enterprise is a regular subscriber of Health Newspapers, which informs people working in health especially for doctors and pharmacists. Its readers are also employees of the state administration, insurance companies and other health-related organizations. There can be found information about latest trends and issues in health care and also information about amendments to the acts, meant as a law regulating the behavior of medical subjects. Regular communication is not necessary but of course, there is an option to collaborate if the facility would like to place an advertisement and in that case the best possible communication is considered for personal meeting and usage of email correspondence.

Stakeholders in marketing area is dedicated to suppliers of medical instruments. This relationship completes facility's services and also helps with healing procedures and clients can buy any of used instruments for their therapy. The enterprise chooses suppliers according to their product quality and possible utilization for its clients. The facility prefers a personal meeting with demonstration of product directly at its place. This communication channel allows to physiotherapists evaluate if the product is effective enough. They are also given recommendations how to operate and what kinds of therapies that the products are the most appropriate to use for.

#### 4.4 Results

#### 4.4.1 Interviews

The interviews were led by a set of prepared questions focused on an establishment and maintaining the professional relationships between MOTUS-Rehabilitation and doctors. There are two versions of this set of questions. The first one, which can be seen in supplements as an interview for cooperating doctors (see supplement 1) is asking questions step by step according to answers of respondents. The second one (see supplement 2) is varies because one respondent gave a different key answer and therefore the prepared questions were designed for him in another way. Following subchapters are named after the external group of doctors and its specialization.

## 4.4.1.1 Gynecologist

The first respondent is one of the most experienced gynecologists in Czech Republic who has been working in this branch for 33 years. Nowadays he has his own medical facility. The interview was held there. He stated willingness to cooperative with any other medical facility of state or private character, which is interested in professional collaboration. Respondent gave a few example of Motol hospital as a main connected facility to his work nowadays. He also confirmed collaboration with MOTUS-Rehabilitation, Ltd. since 2008. He explained the sensitivity of his branch that includes reproduction issues and also cases when he was not able to heal his patients. After these patients attended MOTUS-Rehabilitation, Ltd. their issues were solved. He was underlying the importance of

specialization methods applied in MOTUS-Rehabilitation, Ltd. as a core character for choosing this facility for collaboration. As the most likeable communication channel doctor stated the medical information system and personal meetings with a specialist advisor. The last comment on relationship with MOTUS-Rehabilitation, Ltd. was that he considers the relationship professional and helpful and as a strong point he marked up the quality of provided care.

## 4.4.1.2 Neurologist

Another respondent from the branch of neurology has 25 years of experience. His work place is situated in the region of Prague one. He also cooperates with other medical facilities including MOTUS-Rehabilitation, Ltd.

He mentioned that it was in his interested to recommend a facility to his patients/clients located near his work place, because patients/clients are usually from the same region and prefer good transport accessibility. The relationship started when the manager sent him a letter offering specialized methods in the branch of physiotherapy in 2008. Next step was a personal meeting with the manager and discussing of the future planned development of MOTUS-Rehabilitation, which ended by collaboration. When choosing a medical facility, respondent stated few main characteristics that influenced his decision. Transportation accessibility, high quality of provided treatment, the incessant developing and training in new healing methods.

Respondent was asked about other relationship with MOTUS-Rehabilitation, Ltd. except sending his clients to start the therapy there, he stated that MOTUS-Rehabilitation sends him new patients who need a special examinations that are not provided by their general practitioner. Because regular practitioners are not able to provide examination techniques for stating a specialized diagnosis in his field work. He is really busy and working in shifts, prefers to communicate by telecommunication and email. When he needs them to take care patient/client who is really sick, he usually calls directly to reception and make appointment for his patient. If there is a need to consult client's health status, he talks to professional representative of the facility through telecommunication technology. Any other communication needed is made with

the manager in cases of consultations about news, comments on care and also client feedbacks is made by personal meeting and telecommunication. Since the cooperation started he has been satisfied with the way of how MOTUS-Rehabilitation communicates.

Any issues the doctor and the facility are faced with are solved easily and without any undue stretching. Since the cooperation started he has been satisfied with the way of how MOTUS-Rehabilitation communicates. Any issues the doctor and the facility are faced with are solved easily and without any undue stretching. As a strengths of MOTUS-Rehabilitation, Ltd. was stated the high quality and specialization of health care, sensitive attitude of employees to patients/clients, which also helps to solve their health issues. Weakness is quite low capacity for the amount of clients that are demanding this kind of care. It also happens that MOTUS-Rehabilitation Ltd. is not able to accept any new clients in a short time section and the order deadline is becoming longer.

# 4.4.1.3 Orthopedist

The one fourth of interviewed doctors is specialized in orthopaedics and have been treating people for 55 years. Nowadays facility he is working at is a private one situated in region of Prague 4. When talking about collaboration respondent named Bulovka hospital, Vinohrady University hospital and Motol hospital. MOTUS-Rehabilitation, Ltd. was not familiar for him and he doe not have any experience with this medical center. He stated few conditions under which he decided whether to create a new professional relationship with characteristics of facility like professional approach to work, experience in the field of physiotherapy and knowledge of the latest techniques and modern technical equipment, which enables high-quality treatment. His preference is personal communication, but because of workload probably communication over the telephone, either with a professional representative or physiotherapists. Last question was focused on respondent's opinion on medical centers in general in Czech republic. His opinion on the quality of health centers in Prague is not good. He explained the situation where there are plenty of rehabilitation facilities, which continue to provide outdated technology and still have plenty of clients who are often confused with masseur and

physiotherapist skills. While the physiotherapist profession requires an university study about complexity of how to treat a musculoskeletal system, masseur just retrains course within days or weeks. Massages are categorized as one regeneration and relaxation methods, not healing ones.

## 4.4.1.4 General practitioner

Another participant of the survey is a general practitioner specialized in manual medicine with 17 years of working experience. His work place is located in health center in Prague 1. As a practitioner who sends patients to special examinations, he is working with a wide range of specialist physicians cardiologist, cardiac surgeon, surgeon, orthopedist, gynecologist, neurologists, eve doctor etc. Respondent stated that the collaboration with MOTUS-Rehabilitation started with a letter send by the manager in 2008. At first there was a personal meeting with the goal of have a personal experience with an environment and then be able to evaluate if the center is appropriate for his patients/clients. The major factors that persuade him to begin to cooperate were the professional approach to the patient, the high quality of care and quite short ordering deadlines. Participant gives priority to a personal meeting with the manager or professional representative of the facility. Due to his specialization the majority of patients are treated in his medical facility, with regard to the neurological patients he turns to MOTUS-Rehabilitace with confidence and trust. He was complaining about long waiting period for the order of the therapy.

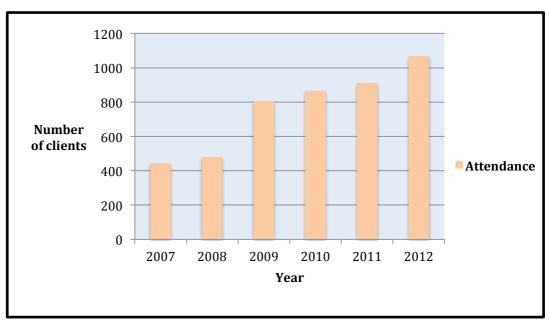
#### **4.4.1.5 Surgeon**

Next respondent is working in a field of surgery for 29 years. The meeting and interview happened to his current place of work in a private surgical ambulance in Prague 6. According to set of questions he confirmed cooperation with other medical facilities Na Homolce hospital, Motol hospital and Rehabilitation clinic Malvazinky. He also mentioned cooperation with MOTUS-Rehabilitation, Ltd. after accepting a letter from the manager in 2008. The main influence was a positive feedback from his patients/clients. They had been asking for recommendations directly to MOTUS-Rehabilitation, Ltd. This was important information, because

patients/clients are allowed to choose where they want to start their treatment therapy. But if the doctor wrote down in the Voucher of Examination the name of concrete medical facility, a patient/client has to go there to be able to use his health insurance as a tool for payment. Respondent did not state any other kind of relationship, in other words, he is not usually accepting pacients from MOTUS-Rehabilitation, Ltd. When talking about communication channels he prefers to communicate through the special medical information system and he does not consider any other communication needed. His evaluation from professional point of view as one of strengths is highly positive especially in cases of a postoperative rehabilitation. Results of therapies made him believe in professional skills of facility's employees. He judged the relationship as a positive, flourishing and built on reliability.

#### 4.4.3 Basic index

The following graph number 1. is showing how the attendance of the facility increased from the year 2007 till 2012. According to interviews almost all of respondents started to cooperate with the facility from the year 2008.



Graph 1: Growth of clients' attendance from year 2007 till 2012

Source: Author's survey

The consequences of these new relationships are most visible in year 2009 where the number of clients comparing to year 2007 increased from 444 clients to 807 clients, which is 82 percent change displayed by measurement method of the basic index as the table number 4 shows. The trend of the following years was that the attendance, in other words, number of clients, was still increasing but the difference was not as significant as it was in the beginning of the period. Another noticeable change in number of clients was between the year 2011 and 2012 when the increase was 156 clients and the percentage change reached comparing to the base period 151 percent.

Year	Basic index (percentage change)
2007	-
2008	109.00%
2009	182.00%
2010	195.00%
2011	205.00%
2012	241.00%

Table 4: Percentage change in attendance compared to the basic period of year 2007 with upcoming years

Source: Author's survey

Successful cooperation with doctors and insurance institutions led to a need of enhancing the facility capacity and manager decided to move to the bigger area. Current place of the facility is fully utilized and twice as big as was the old one. Despite of the character of this business, private medical facility, which means that it is accessible for clients who do not have insurance from institutions the facility collaborate with and can pay for their health treatment, the enterprise is highly dependent on maintaining good relationships with its external groups. The decisions made by clients to pay for their treatment is coming from their preferences, needs and of course income level. On the other hand in the time of crisis, people are trying to save as much money as they can no matter of their social status. The option of paying from health insurance is easy and acceptable for all social classes and they

find it attractive because the attitude of private center is usually more friendly than in the state ones

As it was explained in the theory in subchapter 4.16 the measurement of success of PR activities is possible to observe by three indicators. For this kind of business the most appropriate is the success indicator, which is concentrated on the pre-determined objectives and its achievement related to stakeholders. The survey and method of basic index is showing positive changes in awareness, opinions and attitudes of the external groups, which were considered as a main objectives and therefore the PR activities fulfilled their tasks.

#### 4.5 Recommendations

From the researched results provided by interviews the author finds the importance of keeping good relations with external groups as a key strategy for the success of enterprise. Most of all respondents reached an agreement on the major factors that persuade them to cooperate with MOTUS-Rehabilitation, Ltd. was the attitude of the manager, who was interested in new contacts and connection, specialization of the facility and clients' positive feedback.

Author is recognizing a focused interest just on two concrete representatives of external groups and suggests broadening out the interest also on other representatives of external groups. The fact is that MOTUS-Rehabilitation, Ltd. is a small enterprise managed just by one person, who is representing all functions needed for well going of the business. Author therefore recommends to recruit new employees on managerial positions such as marketing manager or public relation manager who could be targeted on these groups and reach also other groups who affect public relations of MOTUS-Rehabilitation, Ltd. as well.

#### 5. Conclusions

The theoretical part of this thesis is explaining the term of public relations, which is derived from the term publique opinion. Public relations are defined as a reaction on ongoing changes according to development of world and its social diversity, which created a various groups of people. These people are defined by the terminology as publics that have different needs and objectives. It is a part of marketing mix that a company uses for management of publicity and other communication. The role of PR is relevant for a company and its PR specialist are trying to bring the publics closer to the company's idea and excite their interest. PR tools are chosen according to the groups that a company wants to communicate with such as company newsletters, internal messages, PR releases, annual reports, and various special events. Functions of PR are established on the existence of groups and include identifying of internal and external stakeholders, assessing the corporate reputation, auditing of corporate social responsibility, creating positive imagebuilding activities and prevention or reduction any threats for the image of company. PR in health care can use few tools how to act in discussion about health care industry through lobbying, problem governance, crisis management, rhetorical work, media relations, campaign or fundraising. These steps are made because health is considered as a scarcity resource and therefore society is fearful of any threat.

Author's research was made by interviews and basic index. Both of these methods displayed the significance of relationships between the chosen enterprise and the external publics. The research displayed the dependence between the facility, insurance institutions and doctors. Four out five respondents were sent a letter from the manager of MOTUS-Rehabilitation, Ltd. who was offering collaboration with the new specialized techniques of physiotherapy. This gesture of interest had a positive impact and persuaded doctors to start to communicate and collaborate with MOTUS-Rehabilitation, Ltd. in the future. This private medical facility builds its success on quality and closed relationships with the internal and external groups. Basic index confirmed the research provided by interviews and showed that from the year 2008, after external groups were sent a letter about new medical facility, the number of attendance dramatically increased and caused 141

percentage change when comparing the base year 2007 and last period of 2012. Because the capacity of facility was deficient, manager decided to move to bigger area and increased the capacity, which met new patients/clients demand. This result was confirmed by success indicator measurement.

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# 7. Supplements

Supplement 1: Interview 1

Supplement 2: Interview 2

## Supplement 1

## Set of questions for semi-structured interview for cooperating doctors

- 1. What is your branch of medical specialization?
- 2. How long have you been working in this branch?
- 3. Where is your medical center located?
- 4. Do you cooperate with some other medical facilities?
- 5. Can you name which one do you cooperate?
- 6. Do you cooperate also with MOTUS-Rehabilitation, Ltd.?
- 7. When and where did you find information about MOTUS-Rehabilitation, Ltd. and their specialized treatment methods?
- 8. How did your cooperation continue?
- 9. What are the factors that influenced your decision when choosing a health facility MOTUS-Rehabilitation, Ltd. and recommended this facility for your patients?
- 10. Is there any other kind of relationship despite the one you were talking about?
- 11. What way do you prefer to communicate with the facility, and who do you prefer to talk with?
- 12. How would you sum up a relationship and communication with MOTUS-Rehabilitation since you have started to cooperate together? Are there any strengths or weakness?

# Supplement 2

## Sets of questions for semi-structured interview for non-cooperating doctors

- 1. What is your branch of medical specialization?
- 2. How long have you been working in this branch?
- 3. Where is your medical center located?
- 4. Do you cooperate with some other medical facilities?
- 5. Can you name which one do you cooperate?
- 6. Do you cooperate also with MOTUS-Rehabilitation, Ltd.?
- 7. Have you ever heard about this medical facility?
- 8. Under what conditions would you consider to cooperate with MOTUS-Rehabilitation, Ltd.?
- 9. What way would you prefer to communicate with the facility, and who would you prefer to talk with?
- 10. Do you think that region of Prague has enough of medical facilities offering a high quality aftercare in the branch of physiotherapy?