

How the New Economy and the Economic Crisis are Affecting the Development of the Public Relations Industry

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Abstract: Economics and public relations are two very important fields in modern times and are closely related to each other. People tend to discuss the relationship between how the traditional economy has influenced the development of the public relations profession while neglecting the impact of new economic developments and economic crises on the public relations profession. The emergence of the attention economy as a trend and challenge to traditional economies also will have a significant impact on public relations. This article proposes the impact which the appearance of the new economy and the crises that have emerged in recent years in economic development will affect the public relations industry according to some case studies and data from recent years. Drawing on the literature, the author argues that the economic crisis will bring greater opportunities for the public relations industry. Also, the traditional economic model has changed as a result of the emergence and growth of the new attention economy, which will also cause the public relations sector to start moving in the direction of information competition.

Keywords: economic crisis, new attention economy, public relations industry, traditional economy, crisis response

1. Introduction

Public relations play a significant role in shaping public perceptions, influencing consumer behavior, and maintaining a favorable reputation for businesses and organizations. Consequently, these activities can have a substantial impact on the economy at large. This is because the background of public relations is interconnected with the economy. PR activities will have profound effects on economic growth, investment, and overall market stability. A positive public image, effective crisis management, and strong government relations can contribute to a thriving economy by fostering trust, attracting investment, and shaping favorable business environments. Under a traditional economy, public relations already have a proven operation model, but this model may not apply to the new economy. This paper will mainly look at the characteristics and current data of the new attention economy, and a new model and trend for the future operation of public relations can be derived. Also, the research into the new economy's interactions with the public relations industry will have an impact on the entire sector as it develops. The new economic model and the crisis will both alter the sector's overall future course. Apart from that, a review of current crises and related responses can also shed light on necessary reforms and potential developments in the public relations sector.

2. Current State of the Public Relations Industry

The public relations industry covers a very wide range of aspects, such as investor relations, reputation and brand image, crisis management, government relations, and so on. And the public relations sector today is undergoing change and transformation. The PR industry has undergone a significant digital transformation in recent years. With the rise of social media, online platforms, and digital communication channels, PR professionals have had to adapt their strategies to effectively engage with audiences in the digital space. This includes leveraging social media platforms, influencer marketing, content creation, and online reputation management [1]. The use of data and analytics by PR professionals to guide their strategies and assess the success of their campaigns is increasing. Professionals in public relations can learn more about audience behavior, sentiment analysis, media coverage, and campaign effectiveness thanks to the availability of advanced analytics tools. Making informed decisions, focusing on particular demographics, and proving to stakeholders the worth of PR efforts are all made easier with data-driven PR. Also, there has been an increasing convergence between marketing and PR. Organizations are recognizing the value of integrated communication strategies that combine elements of PR, marketing, advertising, and digital media. This integration allows for a cohesive and consistent brand narrative across different channels and touchpoints, maximizing the impact of communication efforts. So influencer marketing has become an integral part of PR strategies [2]. PR professionals collaborate with social media influencers, bloggers, and industry experts who have a significant following and credibility in specific niches. Influencers help organizations reach target audiences authentically and generate positive brand exposure. Lastly, reputation management and crisis communication have become critical areas of focus for PR professionals. With the rapid dissemination of information through social media and online news sources, organizations face increased vulnerability to reputational risks and crises. PR practitioners are tasked with responding swiftly and transparently during crises.

With the aforementioned trends, the PR sector today is changing in all nations. For example, the United States has a mature PR industry with a strong emphasis on corporate communications, media relations, and strategic planning. PR agencies in the U.S. embrace technological advancements, such as data analytics, AI-driven tools, and digital platforms, to refine their strategies and measure campaign effectiveness. And they know how to leverage the power of social media influencers to reach target audiences and build brand awareness. China's PR industry has experienced rapid growth, fueled by the country's expanding economy and digital landscape. They heavily rely on Key Opinion Leaders and social media platforms like Red and Weibo for brand promotion and reputation management.

3. The Emergence of the Attention Economy

From the changes in the public relations sector, one thing can be inferred: a new economy has appeared, and this has led to changes in the traditional economy and PR sector. The term "attention economy" describes the idea that in the digital age, attention has turned into a scarce and valuable resource. It centers on the notion that grabbing and holding people's attention has turned into a top priority for businesses, media outlets, and people in an age of information overload and constant distractions [3]. Attention resources can directly generate economic value, they cannot be copied or shared, and audiences can influence each other. Only when the audience draws attention to a certain product, can it be possible to change from a potential consumer to a real consumer, thereby purchasing the product and bringing economic benefits to the enterprise producing the product. With the proliferation of digital media, social networks, and information sources, there is an abundance of content and stimuli competing for attention. This scarcity of attention means that capturing and maintaining it becomes crucial for businesses and individuals to succeed.

The exchange of goods and services for money has traditionally been the focus of traditional economies. But with the introduction of the internet and the spread of digital technologies, attention has turned into a brand-new form of money. To make money through advertising, subscriptions, or other monetization techniques, a variety of online platforms and media channels rely on grabbing and holding viewers' attention [4]. At the same time, advertising has been a significant revenue stream for media and content creators in traditional economies. The attention economy, however, has altered conventional advertising models. To engage audiences during the deluge of content and advertising messages, advertisers must now adapt to shifting consumer preferences and behaviors. The measurement and analysis of metrics related to attention are also important in the attention economy. In the attention economy, metrics like views, clicks, likes, shares, and time spent have taken the place of traditional economic indicators like revenue and profitability. These metrics reveal information about the effectiveness of attention-getting tactics, content performance, and audience engagement. For instance, techniques such as native advertising, influencer marketing, and interactive ad formats aim to stand out amidst the clutter and grab users' attention effectively. Also, some online platforms, particularly in the digital media and publishing industry, employ attention-driven pricing models. For example, "freemium" models offer basic services for free but require users to pay for additional features or an ad-free experience to capture and retain attention.

4. Impact of the Public Relations Industry Under the New Economy

Industries involved in public relations, including the media, film, advertisements, and so on. These attention resource management sectors are expanding quickly, and the attention economy is progressively forming, and it has grown to be a very well-liked business strategy. The most obvious example is that we are currently living in a brand economy. Therefore, the strategy of the public relations industry has also undergone many changes. With the proliferation of digital channels and platforms, audiences have become highly fragmented. People consume information through various more challenges for PR practitioners to reach and engage their target audiences effectively. So attention spans have noticeably shortened, and people have become accustomed to scrolling through content quickly and making rapid decisions about what deserves their attention. PR practitioners must adapt their communication strategies to grab attention quickly, convey key messages concisely, and create engaging content that holds the audience's interest [5]. Related to this, the abundance of information and content available to audiences can lead to information overload. As a result, PR professionals must cut through the clutter and provide valuable, relevant, and targeted content that resonates with their audiences. Crafting compelling narratives and storytelling techniques can help PR practitioners rise above content overload and engage their target audiences effectively. Also, influencer marketing has gained prominence in the attention economy [6]. PR professionals recognize the power of influencers to capture and retain the attention of their followers. Partnering with influencers allows PR practitioners to leverage their established audiences and credibility to communicate messages effectively and create more authentic connections with target audiences. In addition, PR professionals have embraced the digital landscape to reach and engage audiences in the attention economy. They leverage social media platforms, websites, blogs, and other digital channels to disseminate messages, interact with audiences, and generate conversations. The use of multimedia content, such as videos, infographics, and interactive elements, helps PR practitioners stand out and capture attention in a visually driven digital environment.

5. How PR Responded to the Economic Crisis in Recent Years

In addition to the attention economy, the economic crisis will also reflect the strategy of the public relations industry. In 2015, the Volkswagen emissions scandal involved the revelation that the company had manipulated emissions tests for its diesel vehicles [7]. PR practitioners faced the challenge of mitigating reputational damage, addressing consumer concerns, and rebuilding trust. They engaged in proactive communication strategies, such as issuing public apologies, conducting internal investigations, and implementing transparency measures to regain credibility. Also, the COVID-19 Pandemic has caused a global economic crisis, affecting industries across the board. PR practitioners have been at the forefront of crisis communication efforts, helping organizations navigate the challenges posed by the pandemic. They have worked with governments, healthcare institutions, and businesses to provide accurate information, communicate safety protocols, and address public concerns. PR professionals have also played a vital role in managing reputation risks, coordinating internal communications, and crafting messages that highlight organizational resilience and commitment to public health [8].

In responding to economic crises, the PR industry employs various strategies, like crisis communication, PR professionals develop and implement communication plans that address the specific needs of organizations during economic crises. They craft key messages, anticipate potential issues, and establish effective channels of communication to reach stakeholders. Also collaborating with industry partners during economic crises, PR professionals often collaborate with industry associations, government agencies, and other relevant stakeholders to coordinate efforts, share best practices, and collectively address challenges. By working together, they can amplify messages and ensure a more cohesive response to the crisis.

6. How It Will Develop in the Future, and the Shortcomings

Therefore, in the case of the new attention economic model and the economic crisis, the public relations industry has a stable mode of operation, and it is expected to undergo significant developments in the future. As the future trend, PR will involve a seamless integration of traditional and digital PR practices to reach wider audiences and build meaningful relationships. PR professionals will need to adapt their strategies to leverage various online platforms effectively. This includes social media, influencers, content marketing, and search engine optimization. Also as technology advances, data analytics and insights will play a crucial role in shaping PR strategies. PR professionals will rely on data to identify target audiences, measure campaign performance, and make data-driven decisions. The ability to analyze and interpret data will become a core competency in the future PR landscape. Then PR will increasingly involve collaborative storytelling, where organizations will engage stakeholders, customers, and employees in sharing their experiences and narratives. This participatory approach will help create a sense of community, generate user-generated content, and enhance brand advocacy. Collaborative storytelling will require PR professionals to cultivate strong relationships and engage with various stakeholders effectively.

Problems frequently accompany development, and the shortcomings in the future PR industry may include people's over-reliance on technology. While technology brings numerous advantages, over-reliance on automated processes and AI tools can undermine the human element of PR. Building genuine relationships and understanding the nuances of human communication will remain essential skills that cannot be fully replaced by technology. And the media landscape is becoming increasingly fragmented with the rise of social media, streaming services, and alternative news sources. PR practitioners will face the challenge of reaching diverse audiences across different platforms and tailoring messages to suit each channel effectively. As information spreads rapidly

through digital platforms, combating misinformation and managing online reputation will become more complex. PR professionals will need to be vigilant in monitoring and responding to false narratives, rumors, and negative content.

7. Conclusion

To sum up, the new economy is the economy of the public relations industry. As a product of the current era of the digital media revolution, public relations have attracted more and more attention from business owners and related practitioners in terms of their value and functions. However, online public relations have become a traditional public relations business owner's procurement due to its innovative media value and cost-effectiveness. It is one of the service methods with the fastest-growing trend. This demonstrates the central role and fundamental positioning of public relations in the new economy. The granting of this status opens more room for the public relations sector's rapid growth. One could argue that the emergence of the new economy has provided the public relations sector with a new platform for growth.

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