Breaking Down the Stakeholder Environment: Explicating Approaches to the Segmentation of Publics for Public Relations Research

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This article reviews approaches to the segmentation of organizational stakeholders, recommending specifically that in the early (stakeholder) stage of strategic management, publics should be segmented using cross-situational approaches grounded in the notions of "consequences" and "resources." In the later (public and issue) stages, publics should be segmented using situational approaches, derived from notions of "problem" and "issue." The review and synthesis seeks to help scholars theorize more systematically about segmenting publics in public relations and to enable practitioners to more strategically segment and prioritize their organizational stakeholders.

Public relations practitioners work for organizations, and organizations operate within environments that include myriad stakeholders or publics. Thus, *strategic* public relations practice should start with formative research to segment or "enact"[1] the environment into "the most important components."[2] Under resource constraints, organizations must selectively invest resources in building relationships with specific components of their environment.[3]

This article reviews one aspect of formative research—ways to segment organizational publics to facilitate the identification of strategic constituencies within the stakeholder environment. Such segmentation of publics has been recognized for decades as being critical to the success of public relations programs.[4] Yet most public relations efforts at stakeholder segmentation seem narrowly focused.[5] In contrast, this article argues for a more comprehensive approach that is both theoretically grounded and pragmatically effective.

Thus, this article will (1) provide researchers a review of segmentation approaches, framed by the theory of strategic public relations management;[6] (2) advance three propositions for future scholarly investigation based on this theoretical framework; and (3) pro-

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vide practitioners a source to turn to as they prepare public relations programs.

Strategic Management and Public Relations

According to the Excellence study,[7] public relations must be a part of the organization's strategic management process, and programs must be managed strategically. The strategic role of public relations lies in understanding and defining the organization's environment, which refers to the "sum total of all conditions and forces that affect the strategic options of a business but that are typically beyond its ability to control."[8] Within the macro-environment facing any organization, the strategic constituency refers to those who constrain or enhance an organization's ability to reach its goals.

Grunig and Repper suggested a three-stage model for strategic management of public relations: stakeholder, public, and issues.[9] In the *stakeholder stage*, public relations practitioners, through environmental scanning, need to identify those stakeholders whose behaviors will influence the organization and who will be influenced by organizational behaviors. In the *public stage*, groups find that they can use their stakes to influence the targeted organization or industry, and thus publics form to exercise their influence. Practitioners need to identify and segment publics to increase the possibility of achieving communication goals with these publics. Finally, in the *issue* and *crisis stage*, publics arise and then create and force issues that they believe need to be resolved in their interest. Practitioners should segment publics, use mass media and interpersonal communication, and engage in negotiation.[10]

The notion that the stages of strategic management of public relations are defined by the publics, rather than by the organization, reflects the reality that, although many public relations managers would like to enact the four-step process of strategic public relations planning,[11] their ability to do so often is constrained by the perspectives and activities of organizational stakeholders and publics. Thus, these stages of strategic management are used to determine the best approach to segmentation in public relations.

Theories of Segmentation by Stage of Strategic Management

"To segment" comes from the Latin "segmentum" and "secare," with the meaning of "cut."[12] To *cut*, one must draw a boundary that will result in one part being inside and one part being outside in the environment. In the segmentation process, components are judged to be "in" or "out" based on a conceptual criterion. Thus, this article reviews several kinds of theoretical criteria that may be used in segmenting publics.

In general, the segmentation of stakeholders is driven by two key concepts, *strategic threats* and *strategic opportunities*, which help distinguish successful organizations from unsuccessful ones. Successful organizations have adaptive systems as part of their management routine that can maximize strategic opportunities and minimize strategic threats.[13] These organizations tend to engage in co-adaptation and negotiation with their environments. In contrast, unsuccessful organizations devolve to maladaptive systems that tend to maximize strategic threats and minimize strategic opportunities. These organizations tend to use public relations to dominate their environments.[14]

These two key concepts—strategic threats and strategic opportunities—seem to be more balanced in the earlier stages of strategic management; but the emphasis moves toward managing strategic threats in later stages (i.e., issues or crisis). The following sections examine approaches to the segmentation of publics appropriate for each stage.

Stakeholder Stage. At this stage of strategic management, two major concepts that guide the segmentation of publics are *consequences* and *resources*. "Consequence" is a defining concept in public relations.[15] As an organization has some negative or positive consequences on publics and vice versa, there is a need for managing relationships between the two entities. Consequences from one entity's action and intention, thus, become a fundamental yardstick in breaking down the organization's stakeholder environment. Similar concepts include linkages, interconnectedness, interpenetration, relationships, and proximity.

The other core concept at the stakeholder stage is "resources," which refers to the necessary assets in operation toward achieving desired goals. Control of and access to resources become necessary conditions for organizational performance. Scarcity and value attached to resources generate "power" to those who possess more access or control, while it causes "powerlessness" for those who lack access or control.[16] Consequently, the degree of access and control over resources determines who could be strategic threats (e.g., competitors for the desired resources) and strategic opportunities (e.g., providers for the desired resources). In some situations, organizations try to minimize resource dependency on others, as this condition decreases their power and increases their strategic threats. Also, organizations attempt to prohibit competitors' resource access so as to decrease the latter's power and increase strategic threats against competitors. For that reason, organizations can enact their environment as they answer questions regarding who holds resources, who prohibits access to resources, and who contends for access to desired resources. In short, in the stakeholder stage, stakeholders can be segmented by examining how they relate to the organization's consequences and resources.

Public Stage. Organizations enter the public stage as the consequences that organizations and stakeholders have on each other become a problem; in other words, a public arises as it finds certain consequences to be problematic. In most cases, publics approach organizations hoping to gain organizational acknowledgement of their concerns and proactive corrections to the problem. Yet, should an organization fail to respond, publics may arise and turn to alternate sources of authority and resources for solutions. Thus, the key concept in the public stage is *problem*.[17] A problem, created from a consequence, is detected by publics and may disappear as it is resolved. Thus, "problems" are situational.

"Problem" is a necessary condition for a public to act on problem-solving tasks, but not a sufficient condition. Although a person may experience a severe consequence, he or she might not initiate any problem-solving efforts, if, for example, that person does not feel connected to the problem or feels severely constrained by time, resources, or knowledge in seeking solutions. These concepts of *involvement, constraint,* and *referent criterion,* combined with that of *problem,* are useful in the segmentation of stakeholders in the public stage. In fact, they are the independent variables[18] in the situational theory of publics: problem recognition, constraint recognition, level of involvement, and referent criterion.[19]

Issue and Crisis Stages. The issue stage is the third stage in the strategic management of public relations. Issues are created by publics out of problems that they consider to be serious. Publics arise and organize themselves to pressure organizations and other power- or resource-holders to solve the perceived problem. At this stage, it is easier for practitioners to determine which parts of the stakeholder environment to work on —the more vocal or communicatively active part. Yet, there is a tradeoff between the ease of segmentation and the difficulty of dealing with these publics. In addition, strategic opportunities in the environment are now outweighed by strategic threats. This is why the strategic management approach to public relations advocates for a proactive effort at the early stage.

One can see crisis as a final stage that requires management effort. During this stage, publics are key players in the environments, creating issues from the consequences affecting them and turning to governments, media, and other components that possess mobilizable resources and powers. Therefore, the core segmentation concepts from previous stages are all required at this final stage: consequences, resources, power, problems, and issues.

Theories of Segmentation

In addition to considering stages of the strategic management of public relations, this article offers approaches that vary depending on the stage of strategic public relations in which an organization may find itself. This section is divided into two basic approaches: cross-situational (more useful in the stakeholder stage) and situational (more useful in the public and issue/crisis stages).

Cross-situational approaches are those segmentation methods that use concepts based on enduring characteristics in the stakeholder environment. For example, one can break down stakeholders with *gross* and *static* notions such as formal membership in a group, demographics, or psychographics; once these characteristics arise, they tend to persist. In contrast, situational segmentation approaches focus on *non-enduring* or *dynamic* characteristics. For example, publics are born when a group of people finds a certain consequence to be problematic. They exist temporarily—arising as they find a problem and disappearing as the problem is resolved.

Static or Cross-Situational Approaches. In the static or cross-situational approach, the stakeholder environment is segmented by answering two major questions: First, who from the environment is likely to be interested in the organization? Second, who has the resources and power to help the organization in its operations? This approach hinges on a more stable notion of the stakeholder environment, and this article reviews three typical examples, grounded in marketing/sociological, business-management, and public relations perspectives.

Segmentation in Marketing/Sociology. Many public relations textbooks currently use marketing or sociological approaches to the segmentation of publics, which are easy to adopt but relatively low in utility. Furthermore, this reliance on the concept of "market" and marketing principles suggests a critical misassumption that "markets" and "publics" are the same kind of animal, when in fact they are not.[20]

Marketing deals with the organization's *economic* or *task environment,* such as consumers, competitors, and suppliers, whereas public relations deals with the *social* or *institutional environment* such as government, communities, and activist groups.[21] The relationship between an organization and its social or institutional environment is grounded in the notion of *consequences,* whereby the social environment determines the legitimacy of organizational mission and types of goals for organizations. In contrast, the relationship between an organization and its economic environment is grounded in the notion of *resources,* whereby the economic environment determines the scope of organizational operations and the amount of mobilizable resources.

In general, segmentation in marketing is primarily oriented for *cost effectiveness* in reaching current/potential markets. In contrast, segmentation in public relations is oriented not only for cost effectiveness in reaching current/potential publics but for *organization effectiveness* in obtaining stakeholders' and publics' support and resources to achieve organizational strategic goals. In other words, segmentation in marketing is used to reduce the high cost of promoting products or services; segmentation in public relations is used to reduce the high cost of problem-solving and relationship building. In this regard, the goal of market segmentation is *micro-level effectiveness,* while the goal for public segmentation is both micro-level and *macro-level effectiveness* for the organization.

The following paragraphs summarize several approaches that lean toward a marketing or sociological perspective. The most commonly used criteria are demographics and psychographics.[22] Cutlip, Center, and Broom also used six other methods of segmentation: geographics, covert power, position, reputation, membership, and role in decision process.[23] Sometimes publics are further segmented using these marketing or sociological perspectives within each category of stakeholders, such as employees, community, investors, and consumers.[24]

Segmentation in Business Management. This section examines stakeholder theory and resource-dependency theory, useful concepts drawn from the business-management literature. First, stakeholder theory examines which stakeholders take precedence over others, with stakeholders defined as "any group or individual who is affected by or can affect the achievement of an organization's objectives."[25]

When evaluating the relative importance of stakeholders, Mitchell, Agle, and Wood developed a three-dimensional model that included the attributes of power, legitimacy, and urgency.[26] Stakeholders have *power* when they can influence others to make decisions that they would not have otherwise made. *Legitimacy* is the extent to which the stakeholder has a legal, moral, or presumed claim. *Urgency* exists when a relationship or claim is of a time sensitive nature or when that relationship or claim is critical to the stakeholder.

These three dimensions are combined to segment stakeholders into different groups. *Latent* stakeholders possess only one attribute and are of low priority to organizations; they can be dormant, discretionary, or demanding. *Expectant* stakeholders possess two attributes, and include dominant, dependent, and dangerous stakeholders. Finally, *definitive* stakeholders have all three attributes and should receive the most attention from organizations.

Related to stakeholder theory, the stakeholder view (SHV) approach offers a more comprehensive view of stakeholder management as emphasizing the strategic importance of "relationships" in contributing to the organization's capacity to generate organizational wealth.[27] Going beyond other managerial views, such as a resource-based view (RBV, which only considers the most important components such as employees, investors, and customers) and an industry structure view (ISV, which considers joint venture partners or alliances, supply chain associates, and regulatory authorities), the SHV approach provides a more general classification tool because it also considers private organizations, local communities, citizens, and governments. Thus, the list of ten different stakeholders of SHV is a more comprehensive perspective using stakeholder concepts.[28]

Resource-dependency theory provides another perspective for segmenting stakeholders and can help answer our second question: Who has the resources, power, or leverage to solve this problem? In this approach, organizational success is defined as organizations maximizing their power.[29] This theory assumes that organizations are constrained by other organizations or institutions with power or resources.[30] One of the basic assumptions states that organizations are assumed to work toward two related objectives: (1) acquiring control over resources that minimize their dependence on other organizations and (2) acquiring control over resources that maximize the dependence of other organizations on themselves. The implications are that one can derive two types of stakeholder groups. The first group has resources needed by the organization, and thus the organization should be developing relationships with this group. The second group refers to the stakeholders that are dependent upon the organization and thus need to develop relationships with the organization.

Segmentation in Public Relations. Related to the idea of interdependence and resources, the concept of *linkages*[31] also is commonly used in segmentation. Linkages are based on interpenetrating systems that may upset an organization's equilibrium; these consist of political systems (e.g., Congress, political groups), social groups (e.g., interest groups, environmentalists), and economic contexts (e.g., stockholders, consumers).[32] Using the linkage approach in segmentation, public relations will (a) identify interpenetrating systems, (b) prioritize interpenetrating systems, and (c) plan communication programs with the systems most likely to upset organizational equilibrium.

Four major types of linkages are *enabling*, *functional*, *normative*, and *diffused*.[33] Enabling linkages provide the authority and control the resources that enable the organization to exist. Functional linkages provide inputs and take outputs. Input linkages include employees, unions, and suppliers, whereas output linkages include consumers and industrial purchasers. Normative linkages refer to those groups who face similar problems or share similar values, for example, associations. And diffused linkages are those that cannot clearly be identified by membership; but when the organization has done something that creates consequences, these linkages can organize to do something against the organization.[34]

Another useful segmentation theory in public relations is based on "inferred variables" rather than "objective variables," with the former available by questioning members of a population directly (e.g., perceptions, cognitions, or attitudes), while the latter are available from secondary sources (e.g., demographics or media use).[35] Grunig developed a nested model of segmentation, with inferred variables nested within objective variables.[36] This model includes seven layers: individual communication behaviors and effects; publics; communities; psychographics, lifestyles, cultures, and social relationships; geodemographics; demographics/social categories; and mass audience. This approach is also used in Heath and Coombs.[37]

Dynamic or Situational Approaches. Whereas static or cross-situational approaches divide the organizational stakeholder environment with its enduring notions of key players and institutions, dynamic or situational approaches rely on more ephemeral notions, such as problems or issues, whose characteristics may not endure through time. In analyzing cross-situational and situational approaches, it appears that ease of use tends to be inversely related to the value of use. While cross-situational approaches allow for easier identification of stakeholders via the use of enduring characteristics (e.g., a demographic variable such as gender, which does not change once identified), their utility is rather limited, especially when the organizational environment becomes turbulent.

In contrast, situational approaches, by relying for example on issues that may be created and eventually dissolved, are harder to implement but their utility is greater, especially in the public, issue, and crisis stages. The authors of this article classify the situational approaches into two typologies: across-problems/issues and within-a-problem/issue. The former is based on the *breadth of concern* one possesses across different related problems; the latter is based on the *depth* or *magnitude of concern* one possesses on a single problem.

Across-Problems/Issues Typology. The situational theory of publics asks stakeholders to reflect on multiple problems / issues in a situation set. From his research, Grunig found four recurring types of publics: *all-issue publics* are active on all of the problems in the situation set; *apathetic publics* do not care about any problems / issues; *single-issue publics* care for only one or a small subset of the problems in the set; and *hot-issue publics* are active only on the issue / problem that already involves most of the population and receives heavy media coverage[38] (e.g., gasoline prices).

From this review of the literature, the situational theory seems to be the only method to segment publics across issues. Two of these four types of publics capture the *breadth* of the problems / issues of concern: the all-issue public (concern across all issues in the situation set) and the apathetic public (lack of concern across all issues in the situation set).

Within-a-Problem/Issue Typology. The hot-issue and single-issue publics are reflective of the within-a-problem / issue typology of segmenting stakeholders, which refers to those segmentation methods that subdivide stakeholders in a situation into different subgroups in terms of the extent of their concern or activeness regarding a specific issue. As is easily observable, different problems produce different types of publics. Hence, if practitioners anticipate which types of publics emerge with what types of behavioral characteristics (e.g., active information seeking), they will make a more strategic choice in dealing with that public (e.g., negotiation). The classic typology in this category is based on Dewey's concept of the public[39] and developed by Grunig and Hunt.[40] They labeled a group of people who face a similar problem but do not detect the problem a *latent public*. When group members subsequently recognize the problem, they become an *aware public*. If the public organizes to discuss and do something about the problem, they become an *active public*. Finally, those groups of people who do not meet any condition of Dewey's notion of publics are called *nonpublics*.

Hallahan modified these four types of publics using "knowledge" and "involvement." His four types of publics are "active (high knowledge and high involvement)," "aroused (high involvement and low knowledge)," "aware (high knowledge and low involvement)," and "inactive (low knowledge and low involvement)." The utility of his modification resides in the different strategies for different publics, with "negotiation" as the best strategy for active publics, "intervention" for aroused publics, "education" for aware publics, and "prevention" for inactive publics.[41]

Another notable within-a-problem / issue typology is derived from the diffusion of innovations theory.[42] Rogers' theory of how innovative ideas get dispersed in a population is rooted in the concept of *problem*. An innovation is in essence a *solution de novo* for a problem.[43] Hence, practitioners can easily extrapolate from Rogers' typology of groups (i.e., innovators, early adopters, early majority, late majority, and laggards) to the segmentation of stakeholders. For example, the innovator groups are those active publics who worked on a problem earlier and reached a solution *de novo*. The early majority and late majority groups are analogous to aware and latent publics.

Center and Jackson classified publics into three types: primary, intervening, and special publics.[44] The *primary public* refers to those who can or cannot do what the organization needs or wants to do. The *intervening public* is a "gatekeeper" who delivers messages to the primary publics and typically includes news media, politicians, activists, and opinion leaders. The *special public* refers to an organized group with formal rules and regular meetings, and includes both the *inward special public* that serves their own members' interests (e.g., a trade association) and the *outward special public* that serves people other than its own members (e.g., public-interest organizations).

More recently, Kim classified the active and aware publics in Grunig and Hunt's original typology into eight types of publics: *open-dormant passive public, closed-dormant passive public, open-situational active public, closed-situational active public, open-situational activist public, closed-situational activist public, open-chronic activist public,* and *closed-chronic activist public.*[45] These eight types of publics capture three major characteristics in the problem-solving process of publics: *openness to approaches* in problem solving, *extent of activeness* in problem solving, and *time or history* of the problem solving.[46]

These types distinguish conceptually among aware, active, and activist publics in terms of their information giving and selecting potential. In addition, the new typology allows practitioners to predict when the communication efforts would be more difficult (e.g., closed-chronic activist publics because of their strong selectivity), thus extending Grunig and Hunt's original four key types of publics.[47] One of the first empirical studies of the new typology was a qualitative exploration that identified seven of the eight new types of publics and illustrated their key communication features and their perceptions about problems.[48]

Synthetic Application of Cross-Situational and Situational Approaches. The present authors believe that the cross-situational and situational approaches need to be combined in their application to maximize the power of each approach. This article illustrates two ways of doing so. First, practitioners should anticipate any possible movement from the stakeholder stage to the public stage. Before a shift, practitioners will find that the business-management or linkage approaches are most useful because they provide a gross mapping of the environment, an initial segmentation that facilitates continuous monitoring with less cost. Then, as the organization enters the public stage, the combining of cross-situational methods with situational methods (e.g., demographics combined with the situational theory of publics) will be necessary. Such a shift requires a sequential *build-on* combination between two segmentation methods, e.g., from a linkage of shareowners to a concerned subgroup—active public—of shareowners for a new management policy.

A second way of integrating the two approaches is *combine-with* use. After an organization moves into the public or issue/crisis stages, a situational segmentation method holds greater value in practice. However, practitioners should continue to use some of the cross-situational methods. Although situational methods tell us what specific subgroups of a certain linkage/stakeholder component may arise as a public, they cannot tell us where to go to communicate with these groups (e.g., which media the given specific public would use for information seeking or processing).[49] Thus, in using the situational theory, practitioners should include some cross-situational questions, such as geodemographics, psychographics, and media use, so that they can learn where to go or how to communicate with the situationally active publics.

Propositions for Future Scholarly Investigation

Based on the review and proposed framework above, three general propositions follow:

> **P1**: In the stakeholder stage, public relations is managed strategically and contributes most to the organization when (a) it identifies an organization's (public's) consequences, resources, power, linkages, interconnectedness, values, relationships and proximity in and around the organization and (b) it applies *build-on synthesis* of available segmentation options.

This proposition can be tested empirically. In fact, segmentation at the stakeholder stage is perhaps already the most commonly used because it is relatively easy compared to the other two stages. Many professional efforts, such as the Public Relations Society of America (PRSA) Silver Anvil award-winning entries, generally involved segmentation based on stakeholders only. Many studies in scholarly journals and publications also use publics in a broad sense that is similar to stakeholders.[50]

> **P2**: In the public stage, public relations is managed strategically and contributes most to the organization when (a) it identifies and monitors a public's perceptions of problems, involvement, constraints, and changes of referent criteria such as cognitions or attitudes and (b) it applies *combine-with synthesis* of available segmentation options.

This proposition already has been tested partially. For example, many studies using Grunig's situational theory of publics specifically have examined factors such as publics' perceptions of problems, involvement, and constraints. However, few studies have empirically investigated the changes of referent criteria among active publics over time. In addition, not many studies have linked these identified publics with organizational effectiveness.[51]

> **P3**: In the issue and crisis stages, public relations is managed strategically and contributes most to the organization when (a) it identifies and monitors issues created by publics, mapping consequences and resources in and around the organization, (b) it monitors the changes of problem perception among members of an active public, and (c) it applies *combine-with synthesis* of available segmentation options.

Research grounded in this proposition may occur in studies on activism, crisis management, and conflict resolution. So far, very few studies have tested this proposition empirically. Most crisis communication studies, for example, do not seem to include "segmentation of publics" as an integral step in the communication process. Rather, crisis responses have been tested on pseudo-publics (i.e., students).[52] One study explored a part of this proposition and found that many organizations that experienced an issue or crisis have not managed it in a strategic way; i.e., instead of focusing on the publics most affected in the issue or by the crisis (which thus should be the most active public), they chose to work with other publics with less strong ties (e.g., investors).[53]

Discussion

Undifferentiated communication with a general population is costly and ineffective. This article has offered a theoretical review of methods to segment strategic constituencies in organizational environments, framing our efforts with the strategic management of public relations.[54] These stages—stakeholder, public, and issue/crisis—require different segmentation approaches for organizations to maximize strategic opportunities and to minimize strategic threats.

Although it is not exhaustive, the review includes major segmentation methods available for public relations theory building and practice, delving into theoretical core concepts, such as "consequences" and "resources" (in the stakeholder stage), "problems" (in the public stage), and "issues" and other aforementioned concepts (in the issue/crisis stages). In the stakeholder stage, organizations are likely to benefit most from using cross-situational approaches, whereas in the later stages—public, issue, and crisis—organizations may more effectively employ situational approaches to segmentation.

The two different segmentation approaches—cross-situational and situational—should be integrated in most applications, regardless of the stage of strategic management. Furthermore, as organizational management fails to respond with the right strategy, the stakeholder environment may evolve from a more static to a more dynamic context, i.e., moving from the stakeholder stage to the crisis stage. In such an evolution—or devolution, some might argue—segmentation approaches should correspondingly be changed from the more static cross-situational approaches to the more dynamic situational approaches, in keeping with environmental characteristics. Table 1 summarizes the framework and offers an overview of the segmentation methods reviewed in this article.

For public relations scholars, the challenge is to continue the refinement of theories of segmentation in ways that are both conceptually rich and pragmatically useful. For the most part, the literature reviewed here suggests that public relations scholars are proactive and creative in the development of situational approaches; yet these are rarely useful to or used by practitioners because, pragmatically speaking, they are difficult to implement. Conversely, public relations textbooks, in instructing future practitioners on ways to segment publics,

TABLE 1

Summary of Strategic Management and Strategic Segmentation

	Theoretical Concepts in Segmentation	Available Segmentation Options	Types of Segmentation Approaches
Stakeholder Stage	Consequences, Resources, Power, Linkages, Interconnectedness, Values, Relationship, Proximity	**Sociological/Marketing Approaches:** Demographics, Geodemographics, Psychographics, Cultures, Relationships **Business-Management Approaches:** Resource Dependency, Industry-based View, Stakeholder View **Public Relations Approach (Social, Political, and Economic Contexts):** External Linkages	**Static or Cross-Situational Segmentation Approach** ***Build-On* Synthesis**
Public Stage	Problems, Involvement, Constraints (Referent Criterion)	**Across-problems/issues Typology:** Four Types of Publics: All-issue public, Apathetic, Single-issue, Hot-issue Public **Within-a-problem/issue Typology:** 1. Active Public, Aware Public, Latent Public, Nonpublic 2. Active, Aroused, Aware, Inactive Public 3. Diffusion of Innovation: Innovators, Early Adopters, Early Majority, Late Majority, and Laggards 4. Primary Public; Intervening Public, Special Public (Inward Special Public & Outward Special Public) 5. Open-dormant Passive Public, Closed-dormant Passive public, Open-situational Active Public, Closed-situational Active Public, Open-situational Activist Public, Closed-situational Activist Public, Open-chronic Activist Public, and Closed-chronic Activist Public	**Dynamic or Situational Segmentation Approach** ***Combine-With* Synthesis**
Issues Stage/ Crisis Stage	Issues, Consequences, Resources, Power, Problems		**Dynamic or Situational Segmentation Approach** ***Combine-With* Synthesis**

rely almost exclusively on cross-situational approaches, which often are insufficiently sophisticated for use in segmenting organizational stakeholders as the environment moves toward the later stages of the strategic management process. Thus, public relations scholars and practitioners need to build bridges across the situational and cross-situational approaches to the segmentation of publics. Only by synthesizing these approaches will the segmentation of organizational stakeholders become more theoretically useful and pragmatically effective.

NOTES

1. Karl E. Weick, *The Social Psychology of Organizing,* 2d ed. (Reading, MA: Addison-Wesley, 1979).

2. James E. Grunig and Fred C. Repper, "Strategic Management, Publics, and Issues," in *Excellence in Public Relations and Communication Management,* ed. James E. Grunig (Hillsdale, NJ: Lawrence Erlbaum, 1992), 31-64.

3. Grunig and Repper, "Strategic Management, Publics, and Issues."

4. For example, see Harold Mendelsohn, "Why Information Campaigns Can Succeed," *Public Opinion Quarterly* 37 (spring 1973): 50-61.

5. One notable exception is Brad L. Rawlins, *Prioritizing Stakeholders for Public Relations* (Gainesville, FL: Institute for Public Relations, 2006).

6. Grunig and Repper, "Strategic Management, Publics, and Issues."

7. David M. Dozier, Larissa A. Grunig, and James E. Grunig, *Manager's Guide to Excellence in Public Relations and Communication Management* (Mahwah, NJ: Lawrence Erlbaum, 1995); James E. Grunig, ed., *Excellence in Public Relations and Communication Management* (Mahwah, NJ: Lawrence Erlbaum, 1992); James E. Grunig, Larissa A. Grunig, and David M. Dozier, *Excellent Public Relations and Effective Organizations: A Study of Communication Management in Three Countries* (Mahwah, NJ: Lawrence Erlbaum, 2002).

8. John A. Pearce II and Richard B. Robinson, Jr., *Strategic Management: Strategy Formulation and Implementation* (Homewood, IL: Irwin, 1982), 62.

9. Grunig and Repper, "Strategic Management, Publics, and Issues."

10. Should the issue become unmanageable, then the organization will enter the crisis stage. Much public relations research has been done on the crisis stage; for some examples, see W. Timothy Coombs, "The Development of the Situation Crisis Communication Theory," in *Public Relations: From Theory to Practice,* ed. Tricia Hanson-Horn and Bonita Dostal Neff (Boston: Allyn-Bacon, 2008), 262-77; or see Kathleen Fearn-Banks, *Crisis Communications: A Casebook Approach,* 3d ed. (Mahwah, NJ: Lawrence Erlbaum, 2007). This article cannot review all of these studies due to space limitations, so the issue and crisis stages are integrated in this manuscript.

11. See Scott M. Cutlip, Allen H. Center, and Glen M. Broom, *Effective Public Relations,* 9th ed. (Upper Saddle River, NJ: Prentice Hall, 2006).

12. Judy Pearsall and Bill Trumble, *The Oxford Encyclopedic English Dictionary,* 3d ed. (New York: Oxford University Press, 1996).

13. Jeong-Nam Kim, Jeff Hall, Jerry Swerling, and James E. Grunig,

"From Strategic Public Relations to Corporate Strategic Management: Research, Empowerment, and Value of Public Relations" (paper presented at the annual meeting of the Academy of Management, Anaheim, CA, 2008).

14. Grunig, Grunig, and Dozier, *Excellent Public Relations and Effective Organizations: A Study of Communication Management in Three Countries*.

15. James E. Grunig and Todd Hunt, *Managing Public Relations* (NY: Holt, Rinehart and Winston, 1984).

16. Henry Mintzberg, *Power In and Around Organizations* (Englewood Cliffs, NJ: Prentice-Hall, 1983).

17. Kim and Grunig define a *problem* as a perceptual discrepancy between expected and experienced states in a given situation that produces an uncomfortable feeling of badness-of-fit. They define *problem solving* as one's effort to decrease this perceived discrepancy. In this vein, a member of a public is a problem solver who is looking for and / or bringing about a solution, not necessarily aware of or connecting with other problem solvers. For details, see Jeong-Nam Kim and James E. Grunig, *Situational Theory of Problem Solving: Communicative, Cognitive, and Perceptive Bases* (NY: Routledge, forthcoming).

18. Originally, the situational theory of publics also included a fourth independent variable, called referent criterion, which was "a solution carried from previous situations to a new situation"; see James E. Grunig, "A Situational Theory of Publics: Conceptual History, Recent Challenges and New Research," in *Public Relations Research: An International Perspective*, ed. Danny Moss, Toby MacManus, and Dejan Verčič (London: International Thomson Business, 1997), 11. Although dropped over the years because it seemed to have little impact on communication behavior, reference criterion may be coming back, as some scholarship suggests the presence of another independent or antecedent variable helps to better predict communication activity; for example, see Bey-Ling Sha, "Cultural Identity in the Segmentation of Publics: An Emerging Theory of Intercultural Public Relations," *Journal of Public Relations Research* 18 (2006): 45-65.

19. See Grunig, "A Situational Theory of Publics: Conceptual History, Recent Challenges and New Research."

20. Cutlip, Center, and Broom, *Effective Public Relations*; Dejan Verčič and James E. Grunig, "The Origins of Public Relations Theory in Economics and Strategic Management," in *Perspectives on Public Relations Research*, ed. Danny Moss, Dejan Verčič, and Gary Warnaby (London: Routledge, 2000), 7-58. Markets can be created, whereas publics cannot be created. A public arises as its members find a problem. According to marketing scholars, a good market segmentation should meet three required conditions: *measurability*—the degree to which quantified information exists or is obtainable on a particular buyer characteristic, *accessibility*—the degree to which the firm can focus its marketing efforts on selected segments, and *substantiality*—the degree to which the segments are large enough to be worth considering for separate marketing. For details, see Philip Kotler and Kevin L. Keller, *Marketing Management*, 13th

ed. (Upper Saddle River, NJ: Prentice Hall, 2008). This is another distinguishing feature between public relations and marketing. Although public segmentation should share the first two conditions in a good segmentation practice, unlike market segmentation, it cannot meet the third condition because *marketing problems* are qualitatively different from *public relations problems*. For details, see James E. Grunig and Larissa A. Grunig, "The Relationship Between Public Relations and Marketing in Excellent Organizations: Evidence from the IABC study," *Journal of Marketing Communications* 4 (1998): 141-62. Whereas marketing problems aim to create a market and increase sales through exploration of potential market—a group of individuals that market researchers create for the purpose of sales of their idea or products—public relations problems are most often created by a group of individuals who encounter a problematic state and who perceive the problems should or could be better dealt with organization(s) attentions and resources. Regardless of the size or substantiality of the group, thus, public relations should identify and interact with a public; see, for example, Mancur L. Olson, *The Logic of Collective Action: Public Goods and the Theory of Groups*, 2d ed. (Cambridge, MA: Harvard University Press, 1971). However, segmentation in public relations and marketing share the same feature, *systematic approach*, that grants communication planners power to identify and interact with most important segments in the given communication problem. They can then design better strategies and tactics and matching goals and objectives for the given communication problem.

21. James E. Grunig, "The Role of Public Relations in Strategic Management and its Contribution to Organizational and Societal Effectiveness" (speech presented to the Taiwanese Public Relations Society, Taipei, Taiwan, May 12, 2001).

22. For example, see Betty Attaway-Fink, "Market-driven Journalism: Creating Special Sections to Meet Reader Interests," *Journal of Communication Management* 9 (spring 2004): 145-55; Cutlip, Center, and Broom, *Effective Public Relations*; Dennis L. Wilcox and Glen T. Cameron, *Public Relations: Strategies and Tactics*, 8th ed. (Boston, MA: Allyn & Bacon, 2005).

23. See Cutlip, Center, and Broom, *Effective Public Relations*.

24. Richard Fletcher and T. C. Melewar, "The Complexities of Communicating to Customers in Emerging Markets," *Journal of Communication Management* 6 (winter 2001): 9-23; David W. Guth and Charles Marsh, *Adventures in Public Relations: Case Studies and Critical Thinking* (Boston: Allyn & Bacon, 2005).

25. R. Edward Freeman, *Strategic Management: A Stakeholder Approach* (Boston: Pitman, 1984), 46.

26. Ronald K. Mitchell, Bradley R. Agle, and Donna J. Wood, "Toward a Theory of Stakeholder Identification and Salience: Defining the Principle of Who or What Really Counts," *Academy of Management Review* 22 (autumn 1997): 853-86.

27. James E. Post, Lee E. Preston, and Sybille Sachs, *Redefining the Corporation: Stakeholder Management and Organizational Wealth* (Stanford, CA: Stanford University Press, 2002), 54.

28. Post, Preston, and Sachs' typology of stakeholders are elaborated with each stakeholder's contribution to the organizational wealth. For a more detailed description and the list of stakeholders, see Post, Preston, and Sachs, *Redefining the Corporation: Stakeholder Management and Organizational Wealth*, 47.

29. Jeffrey Pfeffer, *Power in Organizations* (Marshfield, MA: Pitman, 1981).

30. Jeffrey Pfeffer and Gerald Salancik, *The External Control of Organizations* (NY: Harper & Row, 1978).

31. M. J. Esman, "The Elements of Institution Building," in *Institution Building and Development*, ed. J. W. Eaton (Beverly Hills, CA: Sage, 1972), 19-40.

32. Grunig and Hunt, *Managing Public Relations.*

33. Grunig and Hunt, *Managing Public Relations.*

34. This concept of linkages was also used in Ronald D. Smith, *Strategic Planning for Public Relations* (Mahwah, NJ: Lawrence Erlbaum, 2004).

35. Grunig and Repper, "Strategic Management, Publics, and Issues," 131.

36. James E. Grunig, "Publics, Audiences, and Market Sgments: Segmentation Pinciples for Campaigns," in *Information Campaigns: Balancing Social Values and Social Change*, ed. Charles. T. Salmon (Newbury Park, CA: Sage, 1989), 199-228.

37. Robert L. Heath and W. Timothy Coombs, *Today's Public Relations: An Introduction* (Thousand Oaks, CA: Sage, 2005).

38. Grunig, "A Situational Theory of Publics: Conceptual History, Recent Challenges and New Research"; James E. Grunig, "Constructing Public Relations Theory and Practice," in *Communication: A Different Kind of Race Horse*, ed. Brenda Dervin and Steve Chaffee (Cresskill, NJ: Hampton Press, 2003), 85-115.

39. John Dewey, *The Public and its Problems* (Chicago: Swallow, 1927).

40. Grunig and Hunt, *Managing Public Relations.*

41. Kirk Hallahan, "The Dynamics of Issue Activation and Response: An Issues Processes Model," *Journal of Public Relations Research* 13 (2001): 27, 43.

42. See Everett M. Rogers, *Diffusion of Innovations*, 4th ed. (NY: The Free Press, 1995).

43. Everett M. Rogers, *Diffusion of Innovations*, 5th ed. (NY: The Free Press, 2003).

44. Allen H. Center and Patrick Jackson, *Public Relations Practices: Managerial Case Studies and Problems* (NJ: Prentice Hall, 2002), 19.

45. Jeong-Nam Kim, "Communicant Activeness, Cognitive Entrepreneurship, and a Situational Theory of Problem Solving" (Ph.D. diss., University of Maryland, College Park, 2006); Lan Ni, Jeong-Nam Kim, and Eun-Ju Lee, "Classifying Publics: Communication Behaviors and Problem-Solving Characteristics in Controversial Issues" (paper presented at the annual meeting of the National Communication Association, San Diego, CA, 2008).

46. The new publics typology is linked closely to a new concept, *communicant activeness of problem solving* or CAPS; for details, see Jeong-Nam

Kim and James E. Grunig, "Explicating and Validating Communicant Activeness in Problem Solving (CAPS)" (paper presented at the annual meeting of the International Communication Association, San Francisco, CA, 2007). In short, CAPS goes beyond considering only information acquisition (i.e., information seeking and processing), and introduces additional communicant characteristics: information selection (i.e., information forefending and permitting) and information transmission (information forwarding and sharing). Each dimension of problem-solving characteristics is conceptually corresponding to information behavioral characteristics: information acquisition with time or history of the problem solving; information selection with the openness to approaches in problem solving; and information transmission with the extent of activeness in problem solving. For details, see Kim and Grunig, "Explicating and Validating Communicant Activeness in Problem Solving (CAPS)"; Kim and Grunig, *Situational Theory of Problem Solving: Communicative, Cognitive, and Perceptive Bases.*

47. The combination of eight new types of publics with latent and non-publics gives ten types of publics. Such a combination enhances the theoretical and practical utility of the original four types of publics because the eight new types of publics explain communicative distinctions between active and activist publics and the conditions when communication is ineffective.

48. See Ni, Kim, and Lee, "Classifying Publics: Communication Behaviors and Problem-Solving Characteristics in Controversial Issues."

49. Linda Aldoory and Bey-Ling Sha, "The Situational Theory of Publics: Practical Applications, Methodological Challenges, and Theoretical Horizons," in *The Future of Excellence in Public Relations and Communication Management: Challenges for the Next Generation*, ed. Elizabeth Toth (Mahwah, NJ: Lawrence Erlbaum, 2007), 339-55; Grunig, "Publics, Audiences, and Market Segments: Segmentation Pinciples for Cmpaigns."

50. For one example, see Linda M. Hagan, "For Reputation's Sake: Managing Crisis Communication," in *The Future of Excellence in Public Relations and Communication Management: Challenges for the Next Generation*, ed. Elizabeth Toth (Mahwah, NJ: Lawrence Erlbaum, 2007), 413-40.

51. For one exception, see Bey-Ling Sha and Pamela Pine, "Using The Situational Theory of Publics to Develop an Education Campaign Regarding Child Sexual Abuse" (paper presented at the annual meeting of the Interdisciplinary Public Relations Research Conference, Miami, Florida, 2004).

52. See, for example, W. Timothy Coombs, "Information and Compassion in Crisis Responses: A Test of their Effects," *Journal of Public Relations Research* 11 (1999): 125-42; W. Timothy Coombs and Sherry J. Holladay, "An Extended Examination of the Crisis Situations: A Fusion of the Relational Management and Symbolic Approaches," *Journal of Public Relations Research* 13 (2001): 321-40.

53. Lan Ni, "Exploring Relationship Management as an Integral Part

of Strategic Management of Public Relations" (paper presented at the annual meeting of AEJMC, Chicago, IL, 2008).

54. See Grunig and Repper, "Strategic Management, Publics, and Issues."