Taking a Yardstick to Public Relations

How Web Managers are Changing the Way We Judge PR and How Your Company Can Benefit

By Kirk Collingwood

About the author:
Kirk Collingwood is the founding partner of SigmaSense Consulting, a firm dedicated to unlocking strategic value contribution in its clients' businesses. Prior to his consulting career, Kirk spent 20 years in international management, contributing to and leading businesses for Philip Morris International on three continents.
www.Sigma-Sense.com

"Our capabilities aren't appreciated; we can do more to help the business." Similar complaints are voiced by PR Managers in many industries. Public relations executives seem among the most underappreciated leaders in organizations today and it's their own fault! With the average CEO racing through the business cycle being inundated by departmental objectives, metrics, and targets, it is no wonder that PR languishes behind in the CEO's priorities (until there's a crisis).

But thanks to emerging web measurement techniques, PR has an increasing toolbox to measure performance and demonstrate its proactive potential for delivering on core commercial strategies.

The State of PR Measurement

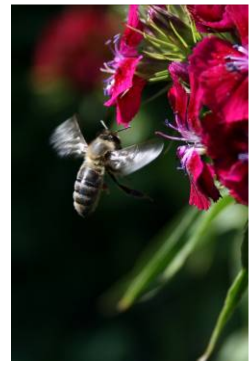
There are always exceptions, notably within tobacco, pharmaceutical, and defense, where these capabilities have been honed over years of necessity, but the majority of internal PR talent has far less influence than it should. Every department head has the responsibility to market the function's capabilities. But in far too many companies that discussion is the pictorial slide-show part of the annual business cycle: a review of sponsored events, public speaking engagements, community outreach efforts, and training plans for crisis management. Add to that a review of an overly complex public opinion survey carried out by an outsourced PR firm which precedes a new proposal for corporate image advertising. Can the executive team be blamed for switching off? Where is the discussion about the firm's core commercial strategies and how PR will help deliver them? (see my article: *Maturing PR from a Cost Center to a Profit Center*).

Accountability

The basic axle grease of accountability is to have agreed actionable, specific, timely targets which are then delivered, reported upon, and reviewed for improvement. In an execution culture, these targets all fall under one of the core business strategies the company is pursuing. The reporting and follow-up elements are reliant on data to provide an objective assessment of effectiveness and value. Driven by the now ubiquitous forces of Six Sigma and Balanced Scorecard, PR has delivered the only metrics they had easily at hand: AVEs.

Are You Measuring the Pollen Instead of the Flowers?

Advertising Value Equivalents (AVEs) are simply *outputs*. To be successful promoting strategic objectives, PR must focus on *outcomes*.



An advertising value equivalent (AVE) is the dollar amount the media space dedicated to PR coverage would have cost were that same space purchased as advertising. For years, PR departments have been justifying campaigns based on how much money they would have spent were they marketers!

The problems become obvious when we apply this same measurement to Marketing. It is the same as the VP Marketing presenting how much money she spent on advertising a particular brand. The obvious next questions are – what happened to consumer awareness levels, product trial rates and sales off-take?

AVEs are simply an ***output***.

What happens as a result of our PR placement impacting a target stakeholder is an ***outcome***.

As organizational leaders, our focus must be on outcomes for PR, just as we demand from other areas of the business.

Moving Beyond AVEs

Tools used to track commercial web site visitors can be used by PR professionals to gauge stakeholder affinity and communication effectiveness.

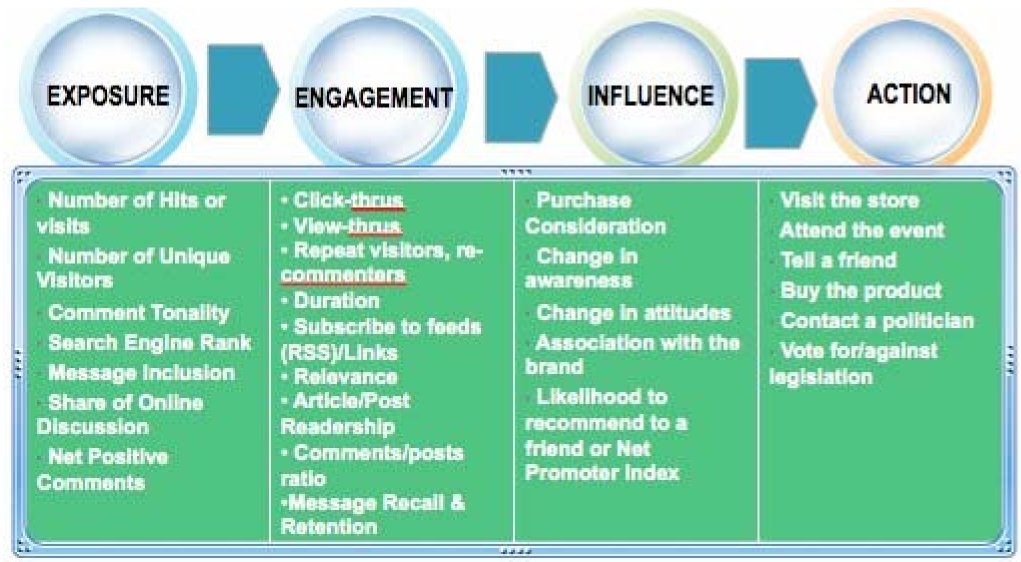
With the explosion of web-based communication, the PR industry has welcomed into its fold a new practitioner: the web engineer. Along with the engineers came their tools for tracking site traffic and monitoring visitor activity on the site for optimization. Particularly important in commercial sites, the web engineer is interested in more than who visited; they want to understand what the visitor looked at, what they purchased and when they may come back – all outcomes.

Because the web enables distinct tracking of individual behavior (within the internet environment), we are able to monitor the impact of web communication based on actions of the visitors. For example, if a visitor to a site clicks a link to more in-depth information pages, we know we have established some interest. If the visitor completes a blog subscription form, we know we have a more intimate relationship with a visitor who

> How a web site visitor behaves on-line can tell us something about how engaged she is with the communication and what action she might take next.

wants to dialog about the topic. We can even understand motivations by tracking from where the visitor linked into our page, i.e. if they made an express search for our content versus clicking through a related industry site.

Don Bartholomew, senior vice president at MWW Group and author of the Proving the Value of Public Relations blog, has been on the leading edge of web-based PR measurement development. His EEIA Web Measurement Model encapsulates the current thinking on web-based measurement:



The model captures four levels of impact created by web PR based on observation of specific actions by the stakeholder:

> **Exposure** – Similar to "opportunity to see" in the advertising community. To what degree has the stakeholder been exposed to our messages
>
> **Engagement** – The degree to which the stakeholder seeks more information, understanding, closeness with the exposed topic.
>
> **Influence** – The degree to which that exposure has influenced the stakeholders' attitudes and perceptions
>
> **Action** – Specific actions taken by the stakeholder as a result of the PR exposure

As can be seen from the model above, there is a variety of visitor actions that can be tracked through each level of impact.

The real challenge for the wider PR community is how this measurement framework can be broadened to include all communications.

Putting the Pedal to the Paper

The Balanced Scorecard is a strategic management tool designed by Robert Kaplan and Nolan Norton in the early 90's. The tool focused on four management quadrants for developing and tracking key metrics to monitor progress toward the organizations objectives:

- financial performance
- customer knowledge
- internal business processes
- learning and growth

The core premise can best be summarized by the axiom, **"You can't improve what you don't measure."**

According to Balanced Scorecard, market share, revenues, and sales volume are all "lagging indicators." By the time these metrics are received, it is too late to impact the bottom line with corrections. By contrast, market share among 18-24 year old male early adopters of electronics would be a potential "leading indicator" for national sales of MP3 players.

If we apply a Balanced Scorecard lens to the above model, we can divide the levels into "leading" and "lagging" indicators. In this strategic management model, the scorecard should contain leading indicators to offer management an early warning of straying from interim targets in time to correct the execution and keep the organization on track to deliver against the objectives (see sidebar).

In PR, our objective is some ***action*** to be taken by the target stakeholder. Having the stakeholder be ***exposed*** to the PR, then be ***engaged*** by it enough to seek more understanding, and then to have his opinions be ***influenced*** by it are all "leading indicators" of the potential for action. Examples of potential leading indicators are outlined below across three example communications.

		Print Campaign advocating tax reform	**Cultural Sponsorship** targeting government contacts	**CSR Activity** to shift public image on environmental concern
Leading	Exposure	- OTS and Reach circulation data	- Audience attendance & advertising reach	- Partnership with target *S*s or relevance of topic to the *S*
	Engagement	- *S* contacts resources provided in article	- *S* approaches sponsor reps at event with affinity	- S open to learning more about company's environmental activities
	Influence	- *S* accepts basis of company tax proposal	- Company makes direct contact with government reps in follow-up meetings	- Research shows public opinion on company's environmental record improved
Lagging	Action	- *S* supports proposed tax legislation in Committee	- *S* establishes on-going dialogue with company on core issues	- *S* defends company environmental record when issue is raised in social setting

S = Stakeholder

Getting Started

The place to begin effective measurement is at the end of the line: with the ultimate outcomes. They are the "low hanging fruit" of setting up a new process and the ultimate objective anyway. If we are not measuring whether or not the stakeholder took the action we desire, we will never be able to objectively assess our PR effectiveness. Such measurement may run far beyond the annual business cycle. Therefore, discipline is required to track these critical outcomes against the communication offered over time and not to fall prey to tossing out last year's long range plan as this year's plan is written.

Selecting leading indicators is never easy. When going through the process, it is best to remember that it is more important how the measure is used than which measure is selected. There are six key criteria to keep in mind when selecting leading indicators in the Exposure, Engagement, and Influence levels.

> How a measure is used is more important than what the measure is.

1. What is the impact of this measure on the specific outcome?
2. Which stakeholders are impacted by this indicator?
3. What processes need to be in place to achieve the measurement?
4. What is the required frequency of measurement?
5. Where is the data coming from? Is it accurate?
6. How will the data be used to review and change ineffective strategies or campaigns?

Don't be afraid to rely on management opinion as a tracking tool. Just as qualitative measurements are an essential part of consumer market research, qualitative judgments by PR professionals of the attitude and position of key stakeholders are a powerful and reliable element of a comprehensive PR measurement system.

Expanding the Map

The Stakeholder Map is an excellent place to begin generating a measurement possibilities list. As each stakeholder is profiled for the map, a list is generated of potential monitoring points for that individual stakeholder (an NGO stakeholder might have possible monitoring points including: articles, web blog entries, one-on-one meetings, regulatory submissions, legislative comments, etc.)

Getting Help

An executing company ensures that all functions are contributing directly to the achievement of core commercial strategies, including public relations. To achieve this, effective use of performance indicators, particularly leading indicators, creates to a continuous improvement environment. If you would like guidance on building more structure into your PR effort, please contact us. SigmaSense Consulting specializes in unlocking the hidden value in PR to pave the way for your strategic successes.

If you want to contact Kirk Collingwood directly, he can be reached at 210-579-4740 or via kcollingwood@sigma-sense.com

References:

1. Proving the Value of Public Relations blog: http://metricsman.wordpress.com

2. Kaplan and Norton: "The Balanced Scorecard", Harvard Business School Press, 1996.

3. The Balanced Scorecard Institute: www.balancedscorecard.org

Kirk Collingwood

Digitally signed by Kirk Collingwood
DN: cn=Kirk Collingwood, o=SigmaSense Consulting, ou, email=kcollingwood@sigma-sense.com, c=US
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