

This is because the cost of advertising in a particular title provides a good measure of the influence of that media outlet. When measuring editorial coverage, referring to the advertising cost is therefore useful. Indeed, this is even recognised in a measurement system that was introduced to replace AVE, namely "Weighted Media Cost".

## SOCIAL WORTH

In some respects the debate over the role of AVE in PR measurement anticipated a debate now emerging around social media. As organisations dedicate more time and energy to social media like Twitter, LinkedIn and YouTube, many are asking how they can measure the results.

Metrics around the number of followers, posts, retweets and mentions may help establish the size of a footprint on social media and track its growth. But, like media analysis, big is not necessarily better. Boasting about large numbers of followers is pointless if many of those are spammers, or irrelevant. Tracking engagement levels - whether likes, retweets, clicks or mentions, is more important.

And, in the search for greater insight, however, some organisations now want to isolate the precise ROI of a 'like' on Facebook. They want to ascertain the value of a retweeted post, or measure the worth of all those followers on LinkedIn.

This is increasingly possible by integrating search engine optimization (SEO) strategies with social media activity. These in turn can be linked to a customer relationship management (CRM) platform so that responses to social media activity can be captured and processed at the level of the individual click, while marketing automation solutions allow tailored messages to be sent to the prospect in a seamless process. Key to the entire process is a web presence that acts as a central port of call for prospects and customers.

## THE TOOLS FOR THE JOB

Once clearly defined measurement tools are tied to overall business goals and metrics are in place, the challenge is to find a way of presenting results in a format that is easy to grasp. With so much information available, the risk is that it becomes difficult to make sense of it all.

The Henley Group therefore uses one Excel workbook to measure campaign effectiveness, and tailors this to address the specific details that a client wishes to know. Firstly, a single 'work in progress' spreadsheet logs every activity undertaken, detailing the various stages taken to bring it to completion. Users are able to drill down by type of activity and the sheet serves as a useful database of PR content for future reference.

This is reconciled to a separate activity schedule, which plots all the activities to be undertaken against the campaign period. The schedule also serves as a statement of work and provides an overview of activity over a given period. A traffic light system identifies any areas that are ahead, or behind, schedule. Two further tabs in the same workbook measure social media activity and media coverage achieved. The latter is provided in great detail, and makes detailed analysis of coverage possible through filters and pivot tables. This invites users to drill down using multiple search criteria such as the popularity of a given subject, the country of origin or the type of activity, for example. Finally, a dashboard presents key metrics on a single page and is used when reporting activity to an organisation's board, or senior management. Increasingly, these take the form of infographics which present key information in a visual format.

## MADE TO MEASURE

Measurement of PR activity isn't rocket science. When it's closely tied to business goals and it is built into the way that PR is undertaken, it provides valuable insight for marketing and management alike.

### References:

1. "Untouchable intangibles", *The Economist*, 30/08/14
2. <http://ow.ly/BqDx4>
3. <http://ow.ly/CjD5Y>



# Passnotes Best Practice in PR and Marketing



THE HENLEY GROUP INTERNATIONAL

Copies of other Passnotes, the Henley Group's guides to best practice in PR and marketing, can be downloaded at [www.henley.co.uk](http://www.henley.co.uk)



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## A Measure of Success: How to measure PR activity

Public Relations can provide a real boost to the bottom line. Whether it is called upon to develop awareness of a brand, to influence a debate or to drive sales, PR can be a powerful driver of business growth. However, measuring this contribution often proves a challenge to many organisations because they don't have the right measurement tools in place.

This makes it impossible to gauge the success of PR activity against broader objectives, and identify the return on investment. Indeed, without the right metrics, even those that commit considerable effort and investment towards PR can find themselves unable to demonstrate precisely what it achieves when confronted by the Financial Director or a Purchasing Manager.

## THE BIGGER PICTURE

Ultimately PR helps to promote, support and defend brands. In recent years there has been much debate around 'brand equity' - the measure of a brand as defined by the customer loyalty it commands, the level of awareness it enjoys, and the premium that consumers are willing to pay for its products.

Brand equity may be the most treasured possession for a company like Apple or Coca Cola, although there is disagreement in management circles about how - or indeed whether - a monetary value can be assigned to brand equity. <sup>1</sup> So, while organisations can measure elements such as customer sentiment, market position, sales reach and product competitiveness through focus groups, dedicated research and customer surveys, it's hard to measure the value of a brand itself.

*It follows that measuring PR activity, which of course makes a strong contribution to brand equity, would be equally difficult. But that's not the case. The accurate measurement of PR activity is not rocket science, despite unintended efforts of many to confuse the subject.*

For example, 2010's 'Barcelona Principles' <sup>2</sup> outlined seven key elements to PR measurement. They observed that "goal setting is important", that social media "can and should be measured", and that both "transparency and replicability" are "paramount" to sound measurement. This sounds reasonable, but what does it actually mean for those that simply wish to get a better sense of what their PR is doing for them? Where does one start?

## THE INPUT, THROUGHPUT AND OUTPUT

Measurement is straightforward if close consideration is firstly given to the input, throughput, and output of any planned PR activity. The beauty of dividing PR activity into these three distinct elements is that it provides an effective way of tying PR to clear and measurable goals, as well as helping to suggest the right tools, activities and resources for the job.

### STAGE 1: OUTPUT

#### What is the desired business goal?

The starting point for the successful measurement of PR activity is to consider its ultimate goal. One can then 'work backwards' and put the right measurement tools in place at the outset of any activity.

Your goal may be to influence an existing debate that affects the way a product is received, or regulated. Or it may be the establishment of a brand in an untouched geography, or a new sector.

Perhaps your goal is simply the successful launch of a product onto the market.

Taking this last example, if PR is to support the launch of a new product, then the ultimate yardstick by which PR activity should be measured is, of course, the sales figures for the product over time. Of course, PR activity can't generate sales on its own; a motivated sales channel, responsive customer support and a competitive product - amongst other things - are essential to the sales process. But if PR is to take a role in meeting a broader business goal, then it needs to stand up and be counted.

Once the central goal of PR activity has been identified, then practical outputs can be isolated and metrics put in place to measure progress against them. For example, the successful launch of a product would require target audiences to be made aware of a product's availability, and to be educated on its features, benefits and applications. Media coverage increase awareness and would therefore be an essential requirement. It would also need to be measured.

Crucially, measuring coverage should not solely involve an assessment of quantity - it must also address the quality of coverage gained. This is addressed later in this paper.

Conversely, the goal may not involve generating media coverage at all. The successful output of an activity such as crisis management, for example, might instead be gauged by the absence of media coverage on the subject; the lack of news establishing instead that PR activity had eliminated potential negative press interest. Equally, a campaign to influence an industry issue might be deemed a success on the basis that a piece of legislation is passed. In short, the measurement of any activity must be relevant and appropriate to the wide range of uses to which PR is applied.

### STAGE 2. THROUGHPUT

#### What activities will help achieve the goals?

With the ultimate goal defined and the required outputs of PR activity identified, it is then possible to assess and then measure the activity that will ensure that campaign goals are met.

To continue with the example of the product launch, if the aim of PR is to successfully launch a new product and so drive sales, then a consideration of the type of activity needed to support the goal is required. Can the product be launched at an exhibition? Is a microsite needed? Should case histories be developed to show how the product meets specific market needs?

Metrics around the throughput in this instance might therefore include the footfall of visitors to an exhibition stand to see the product, or the number of visits to the product microsite and requests for more information. Metrics might aim to establish the number of stories developed to promote the product, or track the various formats that these stories eventually take. They might aim to measure the volume of social media conversations around the product and the sentiment behind them.

By definition, considering the throughput of your PR means putting numbers to activity - although throughput cannot be solely about numbers. Again, it's not just about quantity, but quality. Metrics around PR throughput might also assess the quality of content produced, and the time it takes to develop and then implement it.

Metrics might consider whether draft press materials require many edits, and whether they are delivered on time. They might ask how long it takes to bring case histories to fruition, and how many fail at the last minute because end users prove reluctant to provide testimonial. Metrics might assess whether pro-active media outreach yields enough editorial opportunities, and whether they are of sufficient quality.

### STAGE 3. INPUT

#### What resources are needed to get the job done?

The final consideration to guide the measurement of PR activity is perhaps the simplest. What resources are required to ensure sufficient throughput and so deliver the necessary outputs?

In basic terms this might mean establishing the overall duration of a campaign and then monitoring progress against a timeline, using significant milestones to record achievements along the way. It might involve allocating and then tracking the resources required to get results - whether this is ensuring an in-house PR team dedicates sufficient time and attention to the campaign, or securing an agency with the requisite skills and experience.

Measuring the inputs also invites organisations to address the less tangible but equally important factors that influence campaign success, such as the speed with which PR teams respond to requests or action items. Are drafts of delivered on time, or must they be chased? Are media requests handled promptly?

#### Why it works

The beauty of measuring PR activity according to its input, throughout and output is that it binds PR activity to your overall business goals. The metrics developed will provide transparency about what PR is achieving, and how it fits into the bigger picture of business activity.

Other approaches certainly exist - the IPR Commission on PR Measurement & Evaluation, for example, considers the 'Output, Outtakes and Outcomes' of PR activity.<sup>3</sup> Yet this doesn't address the very processes that underpin PR activity. So, unlike the 'input, throughput and output' approach, it doesn't provide a framework for the selection of the right tools, activities and resources for the job.

## MEASURING MEDIA COVERAGE

With the exception of certain disciplines, the generation of media coverage is a cornerstone of nearly all PR activity. Indeed, if organisations undertake any measurement of their PR activity at all, it's typically around coverage achieved. Unfortunately, many still adopt a 'bigger is better' approach, where the quantity of coverage achieved trumps anything else.

In an age of proliferating online media and social media, it is more important than ever that coverage is achieved in the right places. Articles need to appear in the most appropriate trade titles, comments need to be posted to the best-read blogs, and interviews must be with the most appropriate TV shows, radio programmes or newspapers. Quality is key.

The meaningful measurement of media coverage needs to ask questions of each and every piece of coverage. Was it in a 'top 10' title? Was a quote from a representative of the organisation included? Did it feature a picture, or a link to a website? Are competitors mentioned? Was the coverage generated as a result of proactive, or reactive, media outreach?

All these are valid measurement criteria that allow an organisation to gain a far more nuanced understanding of the worth of media coverage generated by PR activity - as long as the weighting of these multiple metrics in any overall score is transparent and clearly understood.

A well-designed media measurement programme provides an effective measure of PR activity, but it also provides valuable insight into what is working, and what is not. It makes it easy to see which stories are getting the most attention, and where. It reveals the best format for messages, and allows organisations to concentrate resources on the media that provide the best route into campaign audiences. Media analysis is a powerful tool.

### TO 'AVE', OR 'AVE' NOT

Any consideration of media analysis has to address the thorny subject of Advertising Value Equivalent (AVE). AVE analysis compares editorial coverage against the cost of advertising in the same media, and typically weights editorial more highly than advertising to reflect the trust that readers place in editorial coverage.

The decision to dispense with AVE as a measurement tool was made at the 2nd European Summit on Measurement in 2010. The PR industry had concluded that comparing editorial and advertising was inappropriate.

While AVE does have some shortcomings, experience shows that many still rely on AVE analysis. It remains popular with those with little background in PR, such as financial directors and purchasing managers.

In fact, there has been a backlash of sorts; with a suggestion that those who have dispensed with AVE entirely have 'thrown the baby away with the bathwater'.