

Ad value equivalency comes out of the shadows, but is it still considered 'PR witchcraft'?

Mention the phrase “ad value equivalency” and you’ll see many a modern media relations pro wince. The idea of equating PR placements with the value of an advertisement had its heyday, then seemed to fall out of favor as PR people focused more on content than quantity. But a few PR professionals are proposing that AVE be brought out of the dungeon and recognized as a useful tool in media relations measurement. That’s bound to stir up a little controversy.

Three communicators have set out to discover whether AVE should be consigned to the measurement junkyard: Angela Jeffrey, vice president of Jeffrey Communications; Gary Getto, vice president of Surveillance Data; and Travis Jacobsen, executive director of communications for Excel (a telecom/long-distance service company). They say their recent study shows AVE is as valid a method of measuring the effectiveness of media relations as article counts and audience impressions.

The study used an analysis tool called TEXTALL, developed by Surveillance Data. Getto explains that TEXTALL analyzes enormous text files to look for trends and correlations, a process that used to be very time-consuming. Using TEXTALL, the team analyzed 43,000 news articles on Excel and its major competitors from a wide variety of news sources, then compared these results with results from three methods of measurement: article counts, audience impressions and ad value equivalency. [For a detailed explanation of the study’s methodology, go to www.ragan.com/mrr, click on Web Extras and under the search function, look for “Measurement Study.” Enter your user name and password listed on the back page of this issue.]

TEXTALL analyzes “share of discussion”—how much of the dialogue in media coverage relates to a given client. AVE measurements came the closest to matching the share of discussion analysis of Excel’s media coverage and that of its competitors

“We think this study helps put to rest the claim that AVE is not as valid a tool as audience impressions and article counts,” Getto says. “And AVE may actually have the advantage because it accounts for the relative market values of mass media space and time.”

AVE merits a “dusting off” as a measurement tool because it has shed its reputation for juggling the numbers,

“[The PR industry] may have thrown the baby out with the bathwater” when it jettisoned AVE as a measurement method, Jeffries-Fox says.

Jeffrey says.

“In the past AVE had been used dishonestly,” she explains. “People would take credit for a whole story that included one quote about a client.” They’d claim that one quote in a 20-inch newspaper story in *The Washington Post* equaled an ad costing several thousand dollars in the same paper.

It’s questionable metrics like these that caused many PR measurement experts to scuttle AVE, and many believe it’s still a questionable method of gauging value. Mark Weiner, executive vice president of communications research firm Delahaye Medialink, sees limited value in AVE—but not enough to recommend it as a primary measurement method.

“Ad equivalencies don’t demonstrate what is unique about PR and marketing,” Weiner says. “They provide a simple dollar value, which is compelling to executives, but not meaningful. It gets their attention, and nothing more.”

Weiner says AVE should be presented in tandem with other measurement data that provide more insight into the quality of the media placement, and whether it helped achieve specific PR goals. “AVE doesn’t measure whether you’re reaching your target audience,” Weiner says. “Take a beer company that gets placement in the *Los Angeles Times* and a placement in the local *Pennysaver*. The *Pennysaver* placement may have done a much better job of reaching the beer company’s audience—but the *Times* ad cost much more.”

But Weiner also acknowledged that the TEXTALL study shows it’s possible to improve the value of data generated by AVE. For instance, multipliers have traditionally been used to boosting the value of the print placement vs. a similar ad, on the theory that editorial space is more believable—and therefore more valuable—than ad space. That’s a legitimate assumption, Jeffrey says, that was taken way too far. Out-of-whack multipliers—ranging from 1.1 times ad cost to as much as eight times ad cost—raised the value of an editorial placement artificially, opening the door to criticism.

“Every media source has a different credibility factor,” Jeffrey says. “Therefore, no one multiplier can be used accurately.”

Bruce Jeffries-Fox, executive vice president of communications for the research firm InsightFarm, also believes that suspect data created the air of skepticism surrounding AVE. His

own firm is a cautious user, but also recommends that clients balance the AVE numbers against other measurement results.

“[The PR industry] may have thrown the baby out with the bathwater” when it jettisoned AVE as a measurement method, Jeffries-Fox says. “This study shows us a new way to look at the numbers, and also considers how one company’s AVEs compare against those of a competitor—something that hasn’t been looked at before.”

The hard dollar figures produced by AVE measurement resonate with dollar-conscious executives—and that’s reason enough to keep it.

Inflated advertising costs also skewed AVE data, Jeffrey adds. PR people would often use published ad rates, which were rarely charged, since most ad salespeople offer discounts to win business. “We’ve really pushed the use of credible sources for data,” she says. The Excel study used print and broadcast advertising costs from the Nielsen and Arbitron ratings services. AVE can only be of value, she says, if PR people are realistic about the true costs of advertising.

When more reliable numbers are used, AVE has value, Jeffrey says. Just as Weiner uses the *Pennysaver* example to point out the difficulty of comparing the value of large and small media outlets, Jeffrey notes that AVE can make it *easier* to comprehend the value of media placements that don’t necessarily have the biggest audiences.

“The highest billing radio station in the country does not have the largest audience,” Jeffrey explains. “But its ad rates are a result of the station’s image and the quality of the audience that it reaches. So looking at the AVE for a placement on this station captures more than just audience impressions.”

AVE still used at many PR firms

To find out whether PR people still use AVE as a measurement tool, the TEXTALL/Excel group surveyed a random sample of 4,200 PR professionals. Of those who responded that they use measurement tools, about a third use AVE in addition to other measurement methods, according to the survey. Several PR pros contacted by *MRR* also note that AVE still has a place in their measurement toolbox—with some caveats.

Michael Kempner, president and CEO of the MWW Group in East Rutherford, N.J., says he anticipates greater use of AVE as clients press for more numbers, more often. “AVE fell out of favor, but I think you’ll find it more in favor,” Kempner says. “I think a lot of measurement tools used in the early ’90s will start coming back.”

Maria Bacallao, PR manager at Anthony Baradat Iglesias Advertising

& PR in Miami, says the hard dollar figures produced by AVE measurement resonate with dollar-conscious executives—and that’s reason enough to keep it. “They’re tangible numbers, and in the board room, that’s what people can relate to.”

The multiplier has been done away with at ecom Communications in Los Angeles, according to co-founder and co-principal Kristin Gabriel. “It’s just easier to go with a straight number,” she says. However, it’s not out of line to explain to the client that the value of a newspaper article can have a higher dollar amount than an ad of the same size: “You have to consider that one newspaper in a family of four will have a high pass-around rate.”

Tough economy creates more pressure to measure

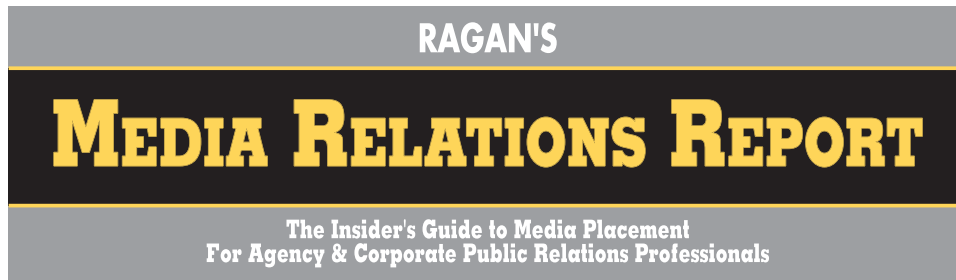
Expect clients and executive teams to demand more hard numbers to show that media relations efforts are working (and that budgets shouldn’t be cut). Measurement is no longer just an option.

“The downturn has precipitated an increasing focus by clients on measurement, but it’s been a growing trend even without the economy,” says David Geddes, senior vice president and partner at Fleishman-Hillard, and head of the firm’s measurement and research efforts. Geddes expects clients to push aside “fuzzy” measurement tools (for example, focus groups) that don’t provide hard numbers and results. And they’ll want the hard numbers sooner than ever, he says.

“Clients want more rapid feedback,” Geddes says. Yet PR firms are often foiled in getting the hard data needed to produce meaningful measurement reports. “Companies operate in silos. We’ll ask for sales results to show how a PR program affected sales—and we’ll be told, we can’t get those results for you.”

To generate the hard numbers clients will demand, Geddes believes PR firms will have to form more alliances with other marketers, such as ad agencies: “To find out if business objectives are being met, you need to separate out PR from everything else that a company is doing.” In other words, PR people need to know how advertising and marketing campaigns are developed and executed in order to gauge effectiveness of their own work.

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