

Measuring to show the positive value of public relations

By Angela Jeffrey, APR, and Gary Getto

If we don't measure, we can't prove our value. Then advertising and marketing will keep getting all the money and have all the power. Public relations will continue to be considered a secondary function and the first budget to be cut when business is bad.

We've heard it all before, but despite some progress, we continue to do as we have in the past — just enough to show our boss that we've accomplished something, but not enough to measure the impact of our work. We haven't measured sufficiently to compare it to our plan and to prior efforts, to see which efforts have worked and which haven't, and to show management that we have made a significant difference to our enterprise.

So why aren't we measuring? Does it take too long? Is it too expensive? Or is it simply because no one is demanding it? There is evidence that budgets increase and public relations becomes more strategic and less project focused when data is available that shows the positive impact of public relations.

In fact, new findings from analysis of more than 5 million articles in 130 studies from SDI/PRtrak now demonstrate the degree to which unpaid media coverage (public discussion) matters. It helps drive sales. It puts bodies into hotel beds for the travel industry. It drives patients into doctors' offices. It gets kids to apply to college. Good measurement and analysis convinces management that what the media says about the organization matters, and that public relations is one of the best tools to manage and increase positive discussion. Measurement shows that public relations is an investment in positive outcomes rather than simply a cost.

The power of unpaid media

Here is an example that illustrates the power of unpaid media:

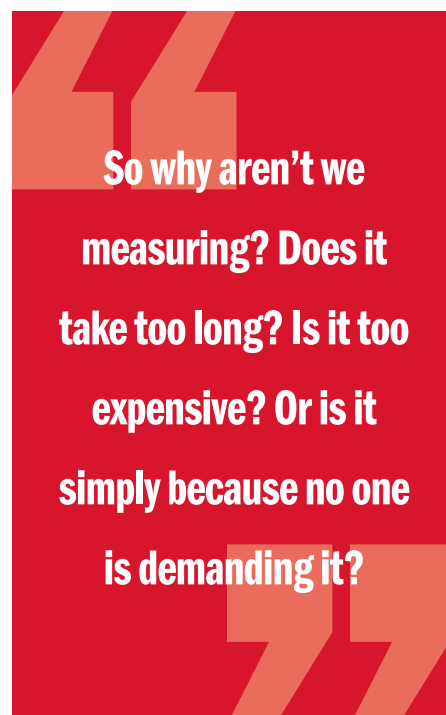
The chart (*top right*) links Share of Discussion to sales-closing ratios for a business software product. This shows that as the company's Share of Discussion increases, the likelihood that a sale will be made increases, and vice versa. ($R=.89$)

In these and other studies, results have shown that measuring only your own media coverage does not generate a meaningful correlation with outcomes. Meaningful relationships were seen consistently, however, when Share of

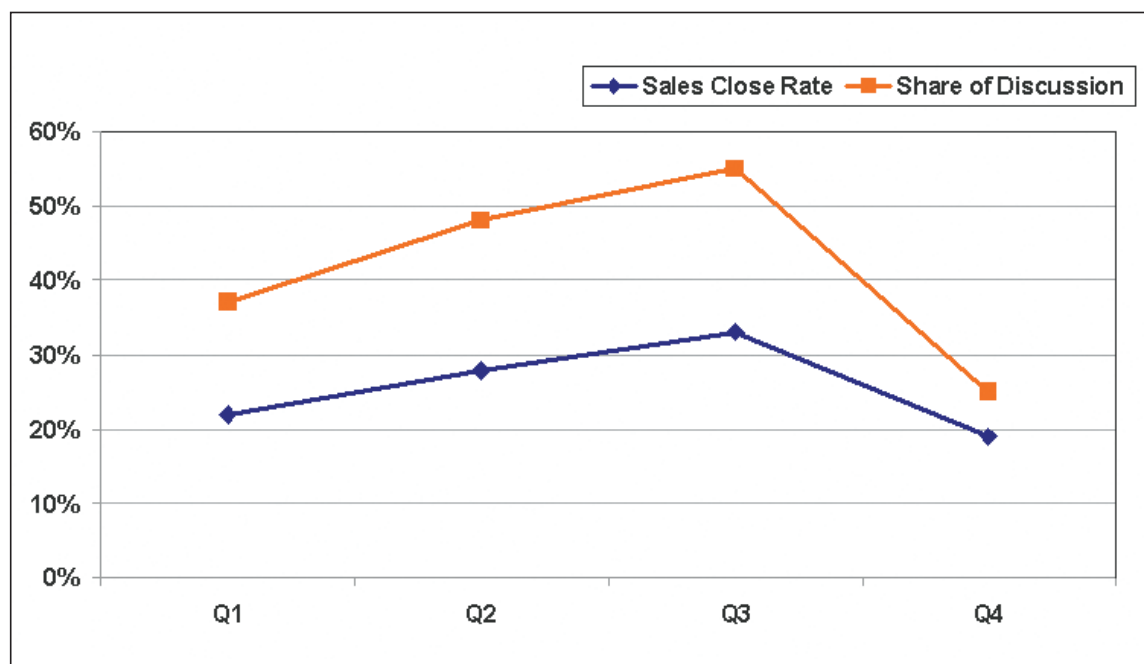
Discussion was used. The absolute amount of coverage received by a company is significantly less meaningful than the relative coverage received compared to competitors. If you and key competitors receive equal coverage, it does not impact your competitive distance. However, when you receive more coverage or significantly more positive coverage than your competitors, it builds a competitive difference that impacts business outcomes.

Proving it for yourself

You can demonstrate the importance of unpaid media coverage to your enterprise by following a few relatively simple steps. Use them for one project, and demonstrate to yourself — and your boss — that public discussion drives results for you. Here is what you need to do:



- Calculate your Share of Discussion, ideally for a two-year time period to include seasonal and long-term trends. Your Share of Discussion measures can be in weekly, monthly or quarterly periods. (See next column for calculation of Share of Discussion.)
- Obtain business outcome data for these same time periods — sales, store



traffic, number of visitors to a Web site, etc. Outcome figures should be readily available in sales, marketing, accounting or other departments in your organization.

Then, using a computer program like Microsoft Excel or graph paper, a ruler and a pencil, graph the data for each time period. See if sales increase when your Share of Discussion increases, and vice versa. (We are looking for broad trends, not day-to-day precision.)

For a more mathematical approach, you can put the data into a spreadsheet program like Excel, and use the correlation function (@CORREL) to determine the mathematical correlation between the data sets.

Calculating Share of Discussion

- Through a clipping service, a media analysis firm, or an online news service such as Lexis Nexis, capture the media coverage of your company and its chief competitors. Arrange these stories by time period so you can capture metrics by week, month or quarter.

- Determine what portion of each story is attributable to you or your competitor. Obtain audited media values or audience impressions for all coverage from data suppliers such as Arbitron, Nielsen, SRDS, SQAD, Burrelle's, Vocus, PRtrak or others.

- Calculate the value and impressions of each story. For print, multiply total column inches by open black and white or color ad rates per column inch. For broadcast, multiply minutes/seconds by negotiated spot costs per :30 for TV and :60 per radio. For Internet, use one CPM

Banner negotiated ad rate for every 50 words in a story. No multipliers. Note: Media values have been shown to significantly improve correlation accuracy rather than simple impressions, because they account for story length and the reputation of the publication.

- Analyze the slant of each article. Then, subtract the values and impressions of negative stories from those that are positive or neutral, to get net favorable value or impressions.

- Total the net favorable media value or impressions for each company for each time period you are measuring. For example, if you are measuring monthly media coverage against monthly sales, total all coverage for you and your competitors each month.

- Finally, divide each company's net favorable media value or impressions by the total of all competitors to obtain Share of Discussion for each time period.

For additional help, see the white papers "It Works: Correlating Outputs to Outcomes" and "A Primer: Measuring Media Coverage Effectively" at www.prtrak.com. **T**



Angela Jeffrey, APR, is a multiple Silver Anvil/Gold Quill award-winning professional who developed PRtrak, the first do-it-yourself solution to broadcast, print and Internet publicity analysis with audited measurement data.



Gary Getto is a longtime research, development and marketing professional in the health care industry who is now conducting research connecting communications outputs and outcomes.