

# KDPaine & Partners

## Measurement 101

### A Presentation to the IPR Measurement Summit

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## Why Measure?

**“The main reason to measure objectives is not so much to reward or punish individual communications manager for success or failure as it is to learn from the research whether a program should be continued as is, revised, or dropped in favor of another approach ”**

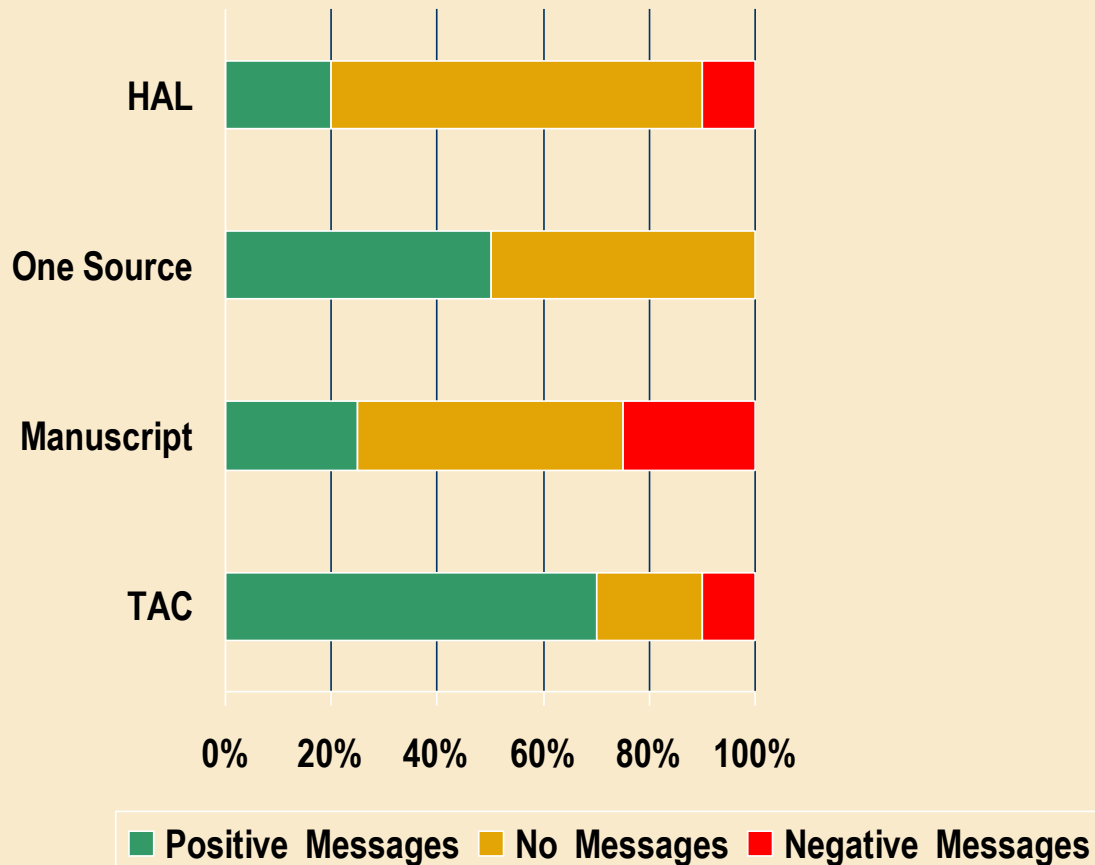
*James E. Grunig, Professor Emeritus, University of Maryland*

**“If we can put a man in orbit, why can't we determine the effectiveness of our communications? The reason is simple and perhaps, therefore, a little old-fashioned: people, human beings with a wide range of choice. Unpredictable, cantankerous, capricious, motivated by innumerable conflicting interests, and conflicting desires.”**

*Ralph Delahaye Paine, Publisher, Fortune Magazine ,  
1960 speech to the Ad Club of St. Louis*

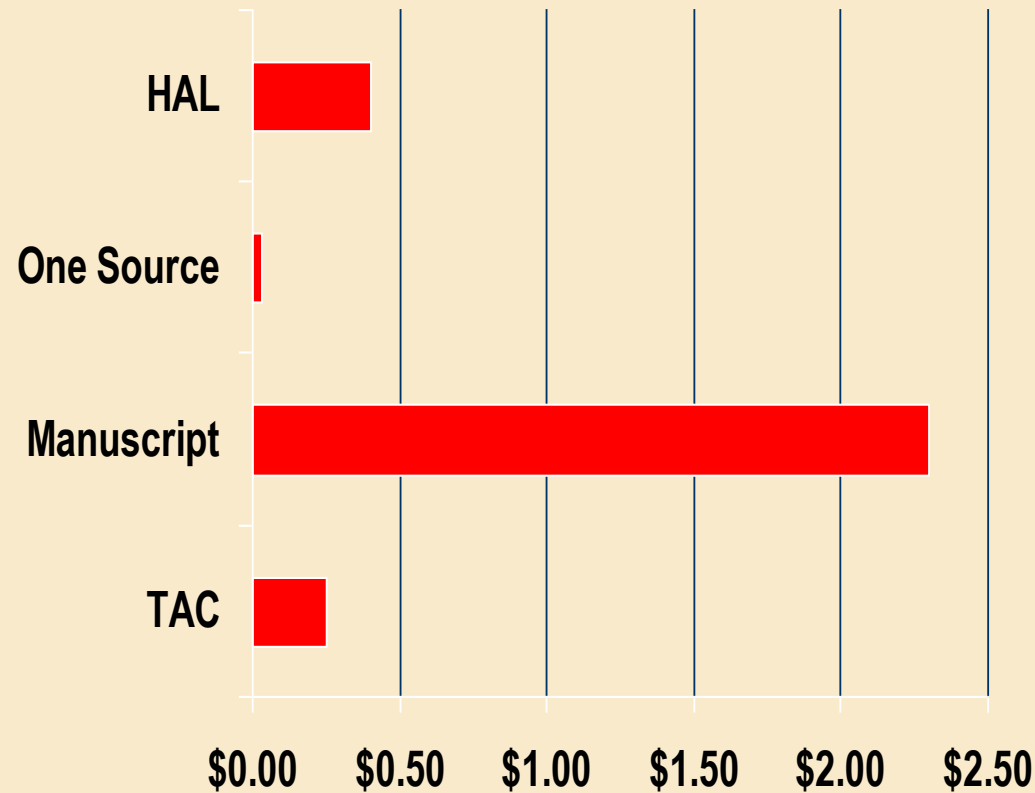
# The Ah-Ha moment, the Lotus PR Report

Percent of impressions containing messages by product



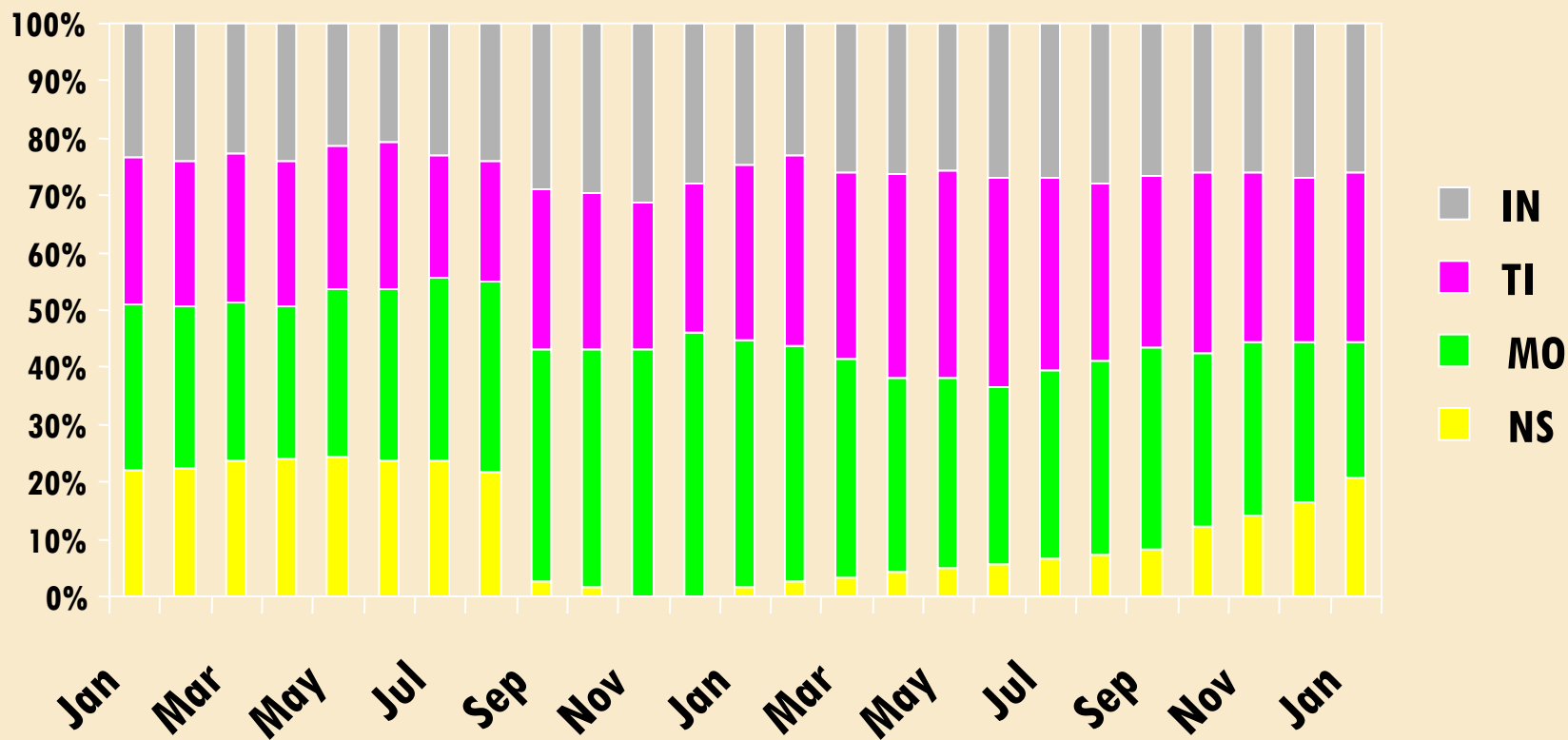
# The Ah-Ha moment, the Lotus PR Report

## Cost per message communicated

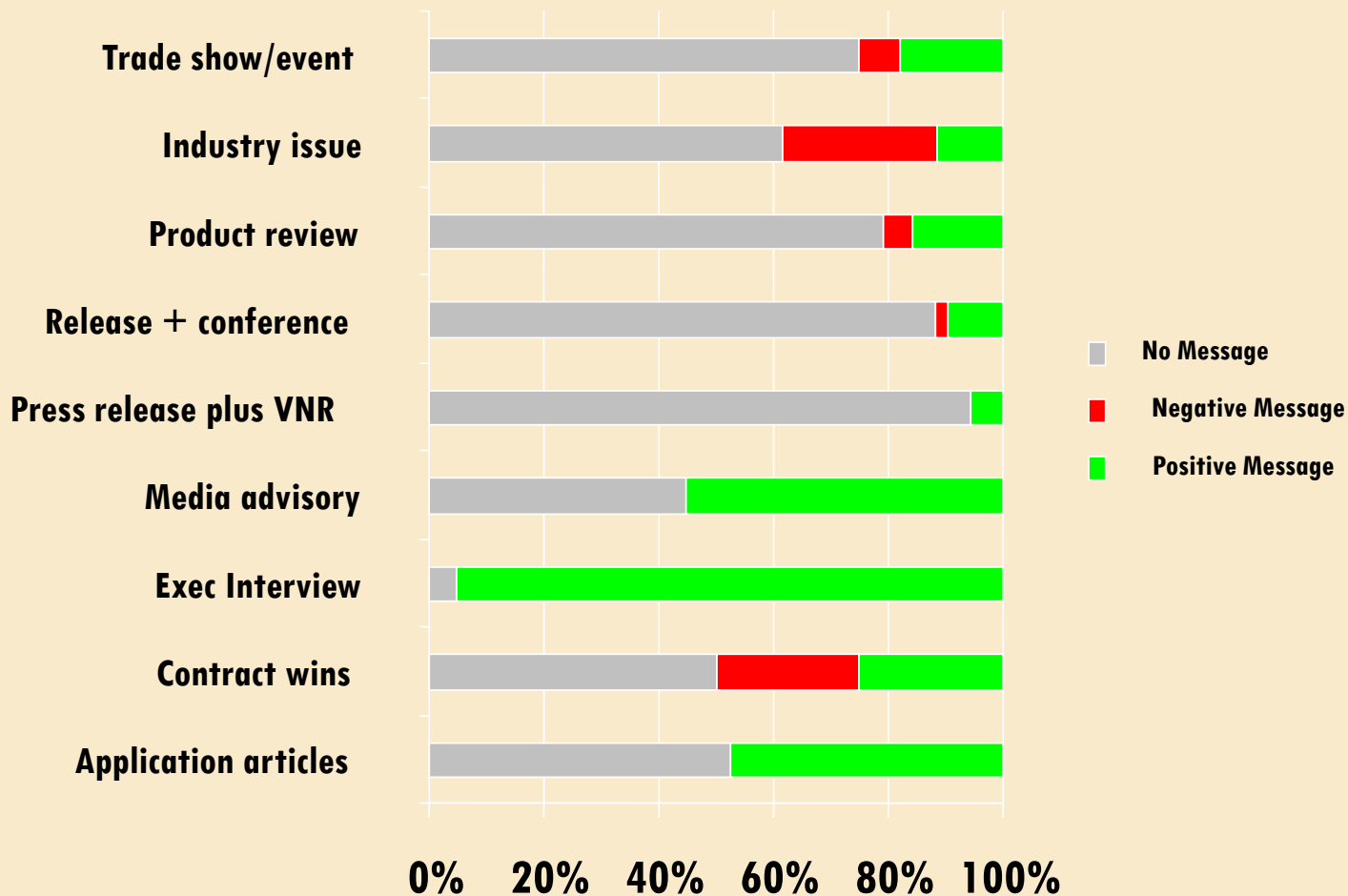


# Victory Over Martians Confirmed!

## Share of exposure over time

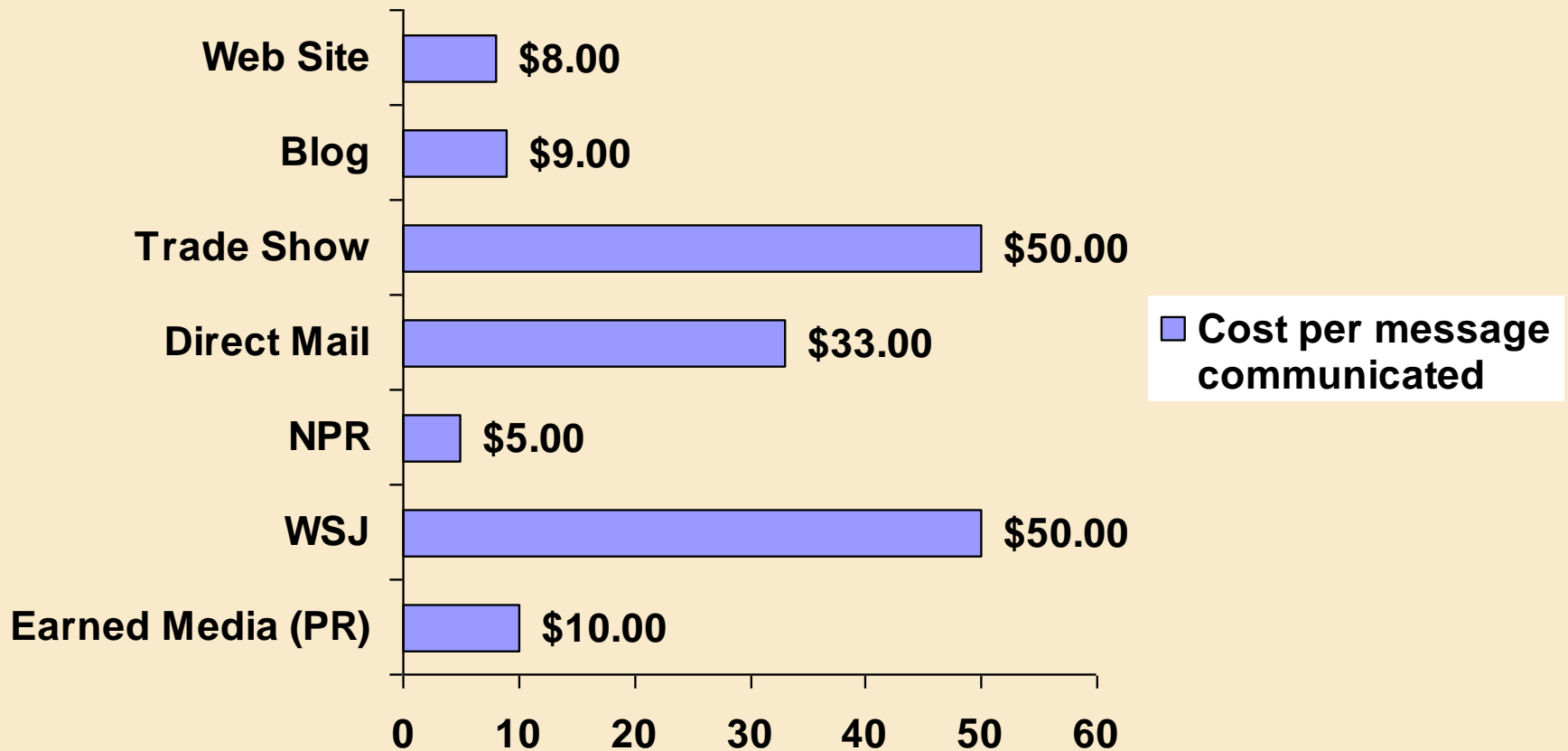


# Interviews and media advisories generated best coverage

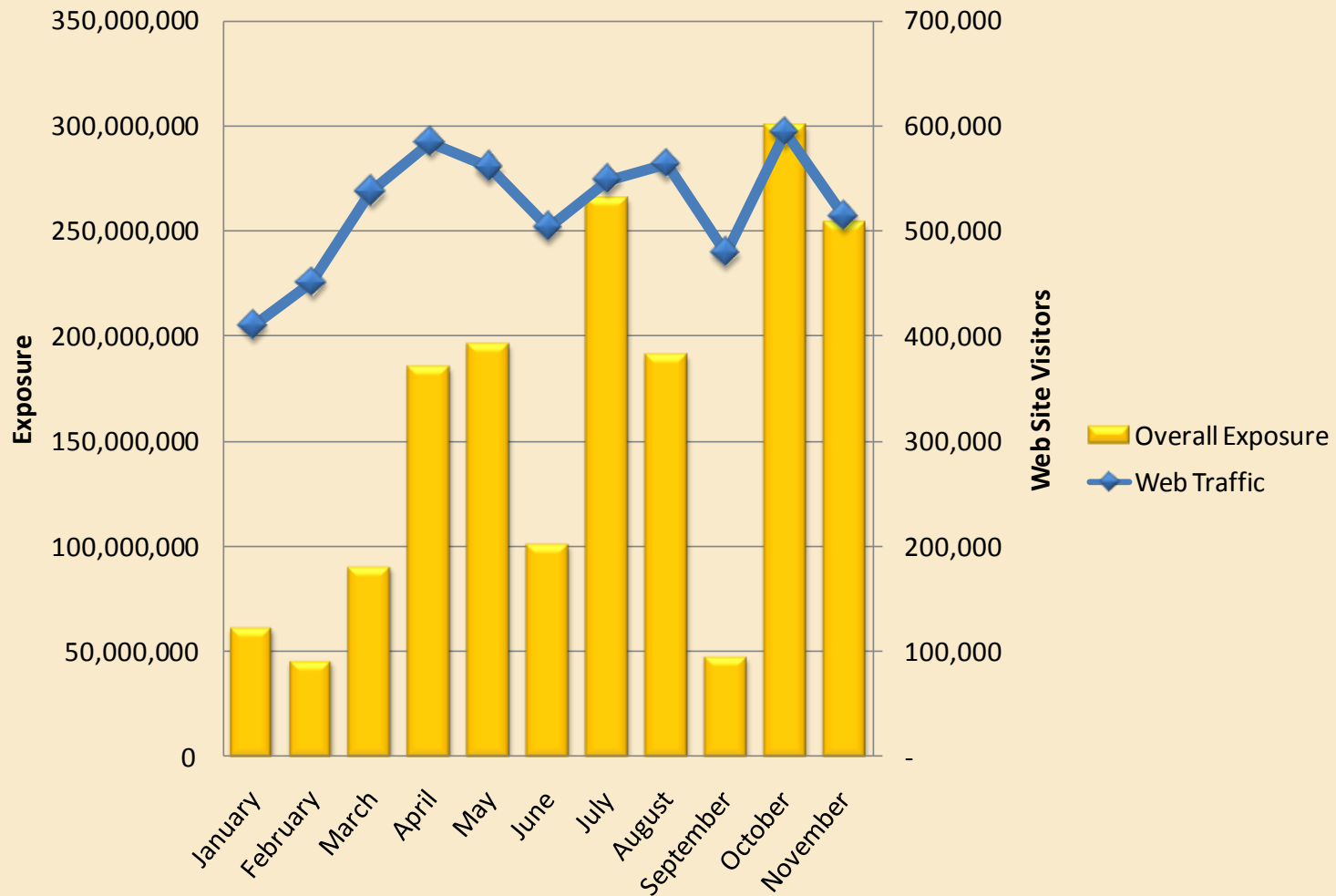


# Comparing the effectiveness of different tactics

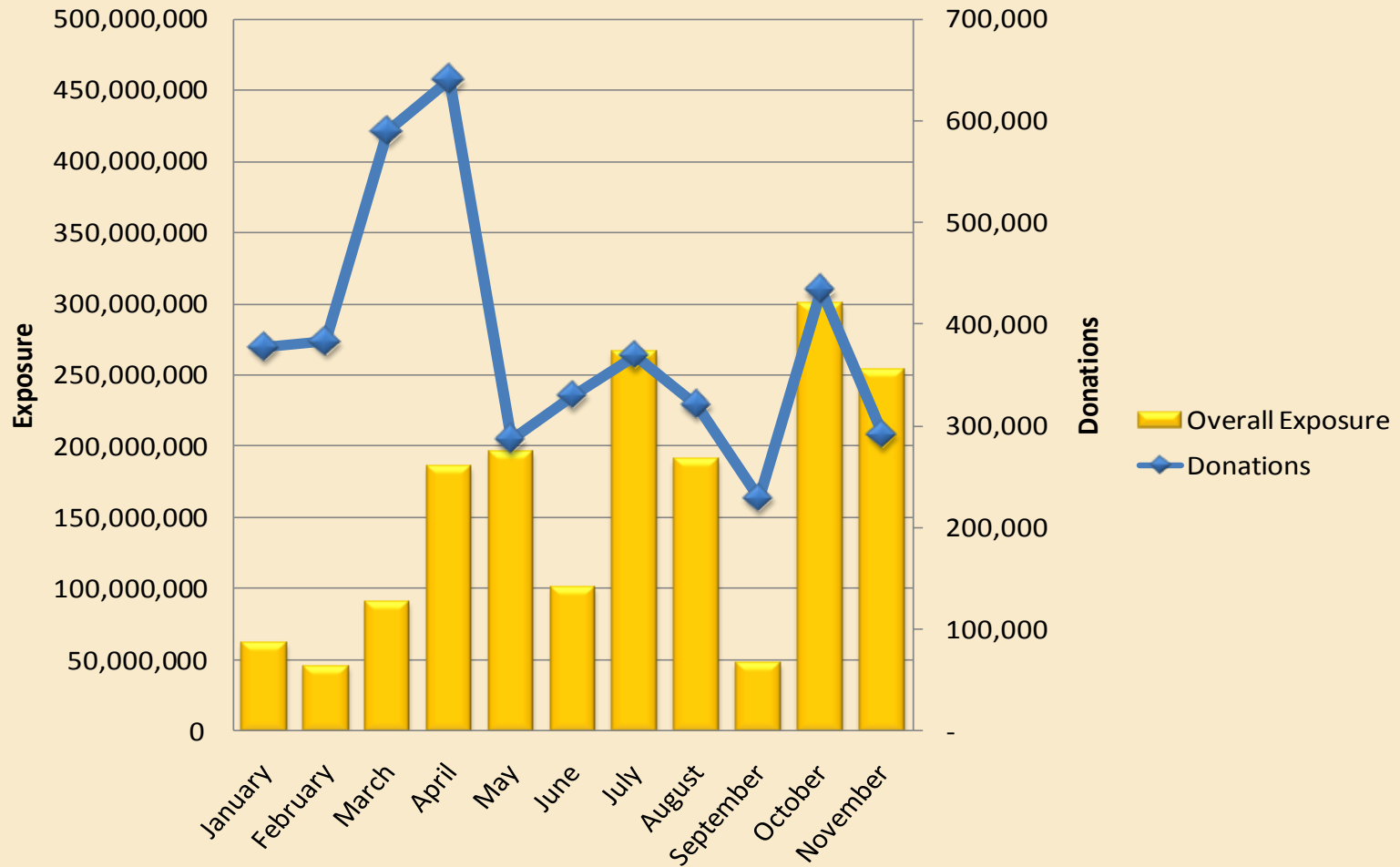
Cost per message communicated



# Correlation exists between traffic to the ASPCA web site and the organization's overall media exposure

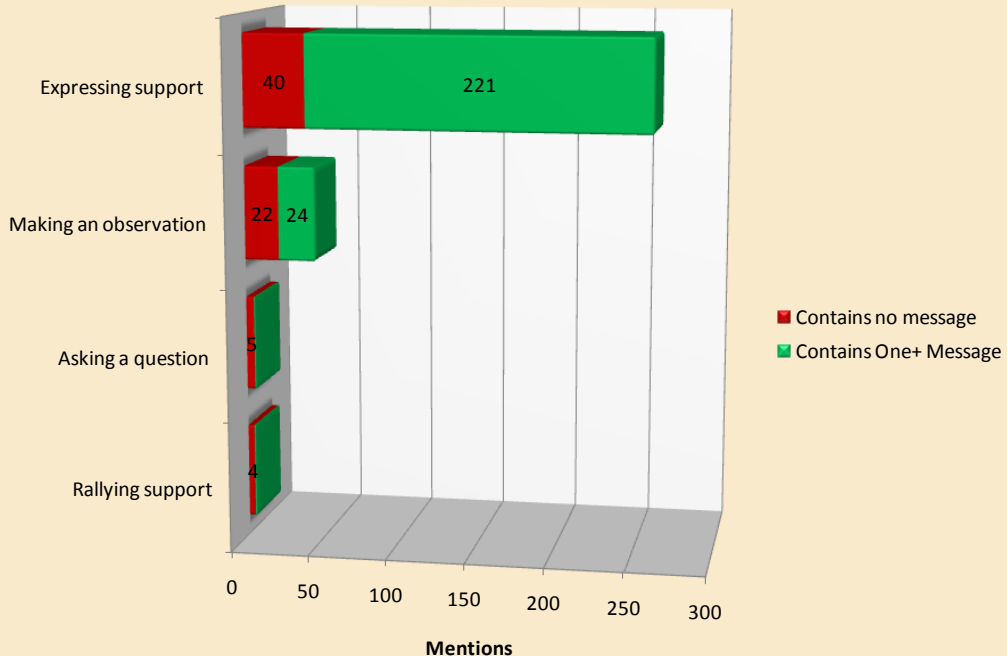


# Correlations also exist between online donations to the ASPCA and the organization's overall media exposure

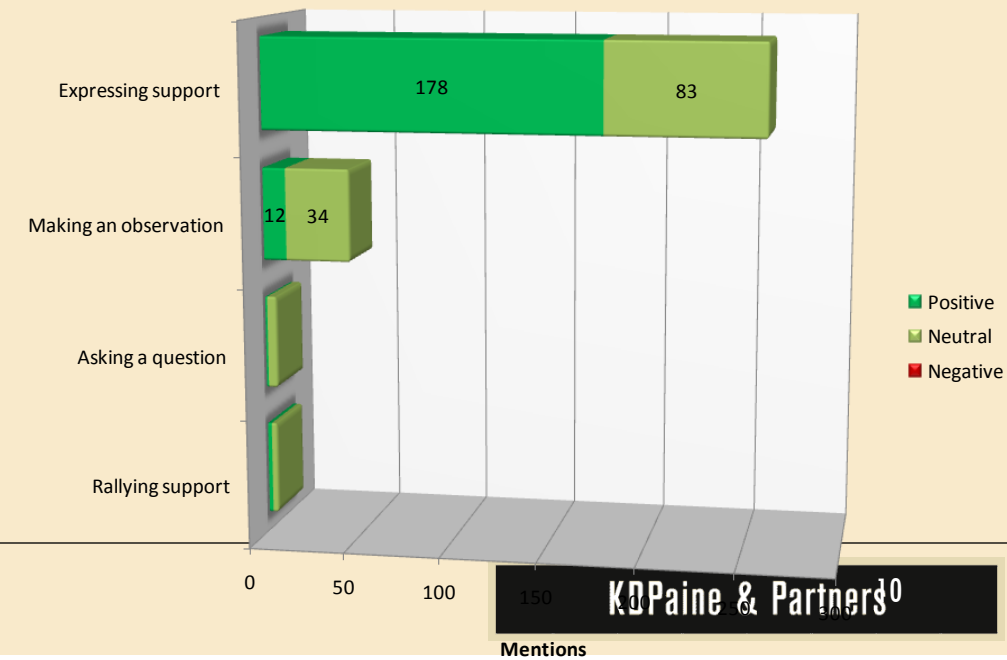


Conversation Type	January	February	March
Making an observation	142	152	46
Expressing support	20	40	261
Offering an opinion	18	1	1
Rallying support	4	4	5
Advertising something	10		
Asking a question	1	2	6
Distributing media	4	2	
Making a suggestion	2	3	
Giving a shout-out	1	2	1
Calling for action	1	2	
Expressing criticism		1	1
Disclosing personal information	1	1	
Putting out a wanted ad		1	
Expressing agreement		1	
Recruiting people	1		
Answering a question	1		
Expressing surprise		1	
Grand Total	206	213	321

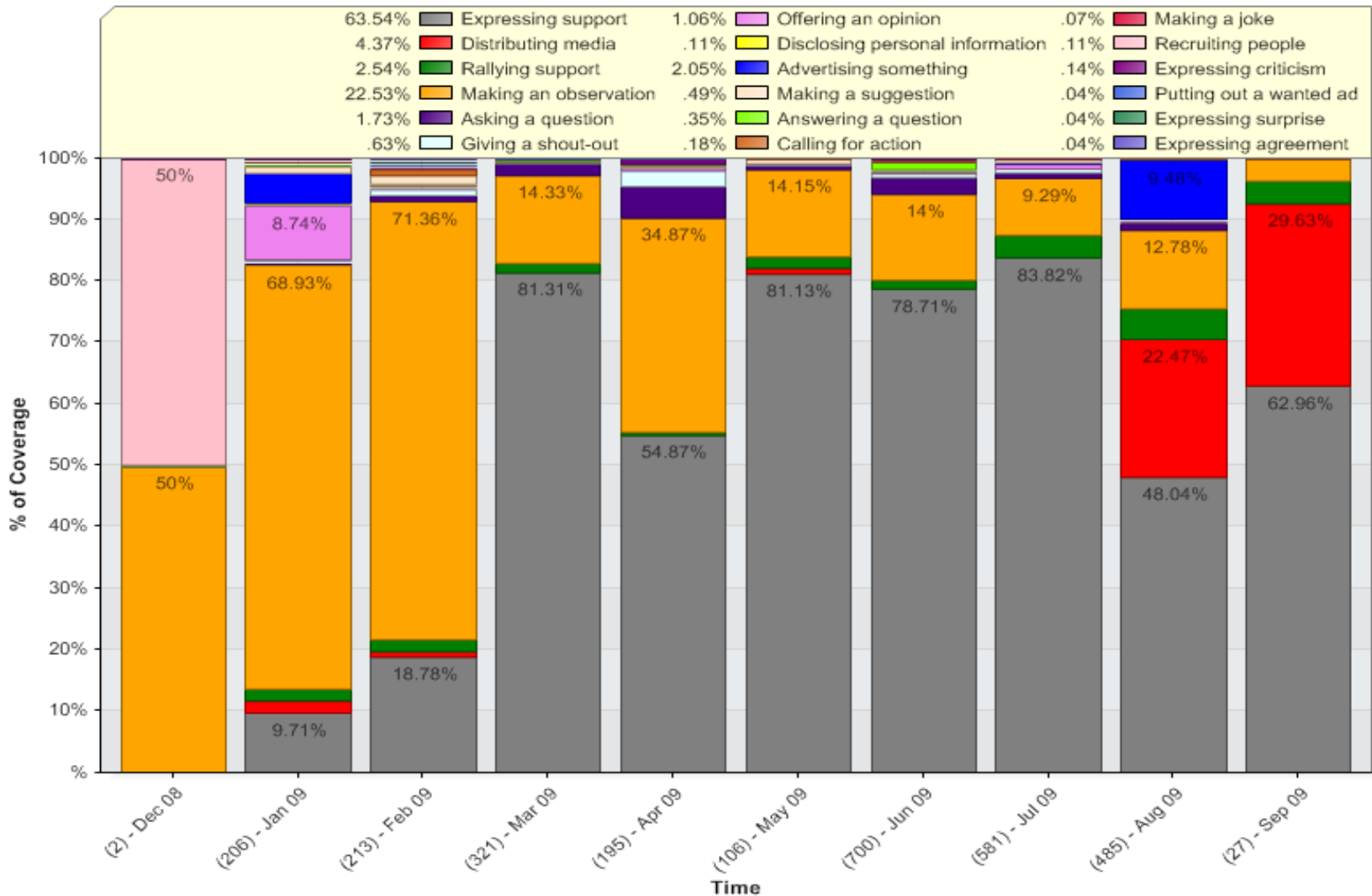
Conversation Type by Message Saturation



Conversation Type by Tone



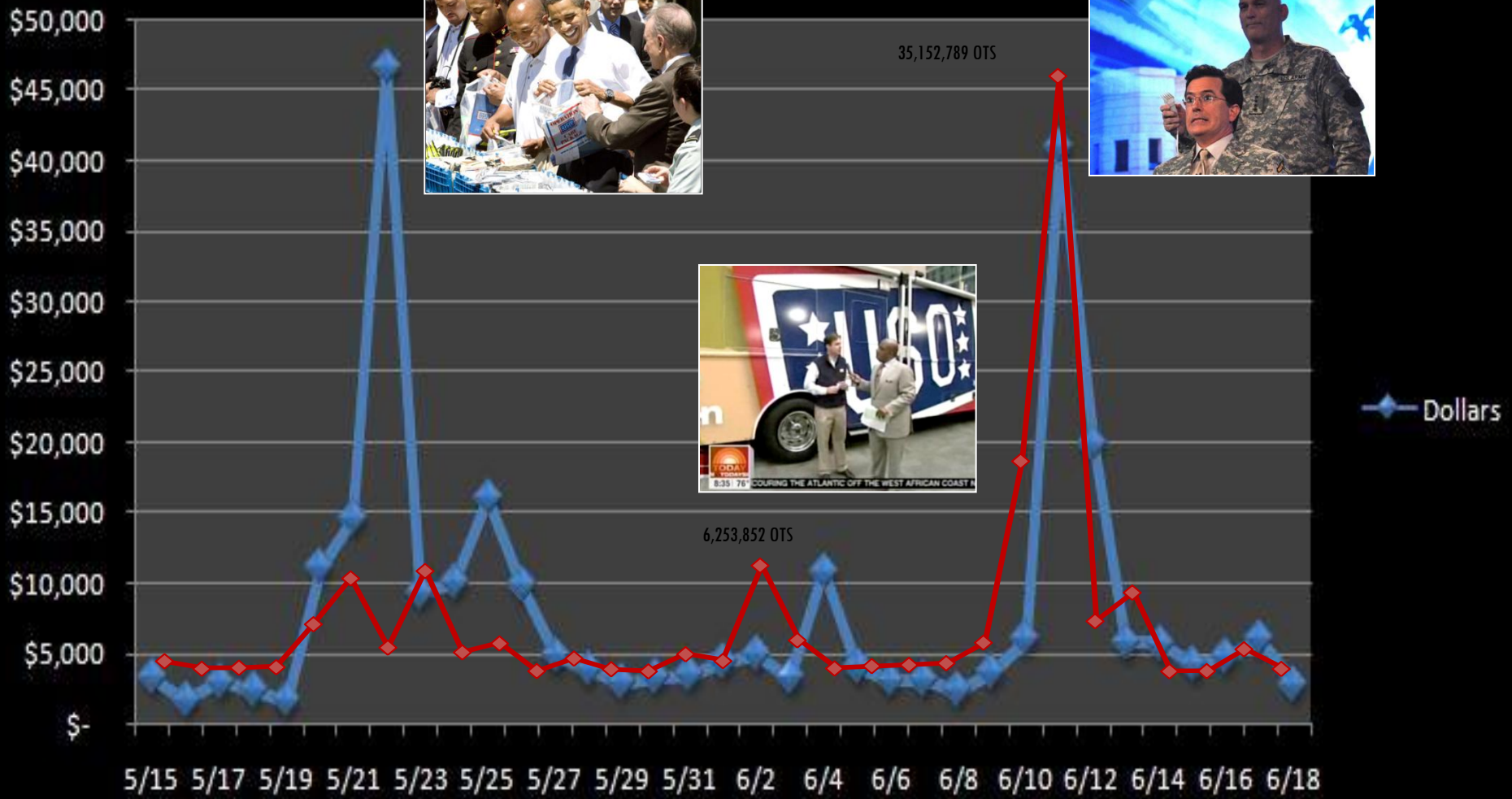
# Moving conversation from observation to support



# Media Engagement & Online Giving

## Online Revenue

May 15th - June 18th in \$USD

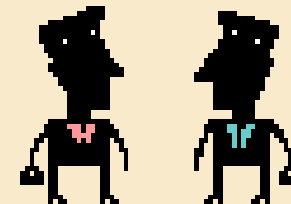
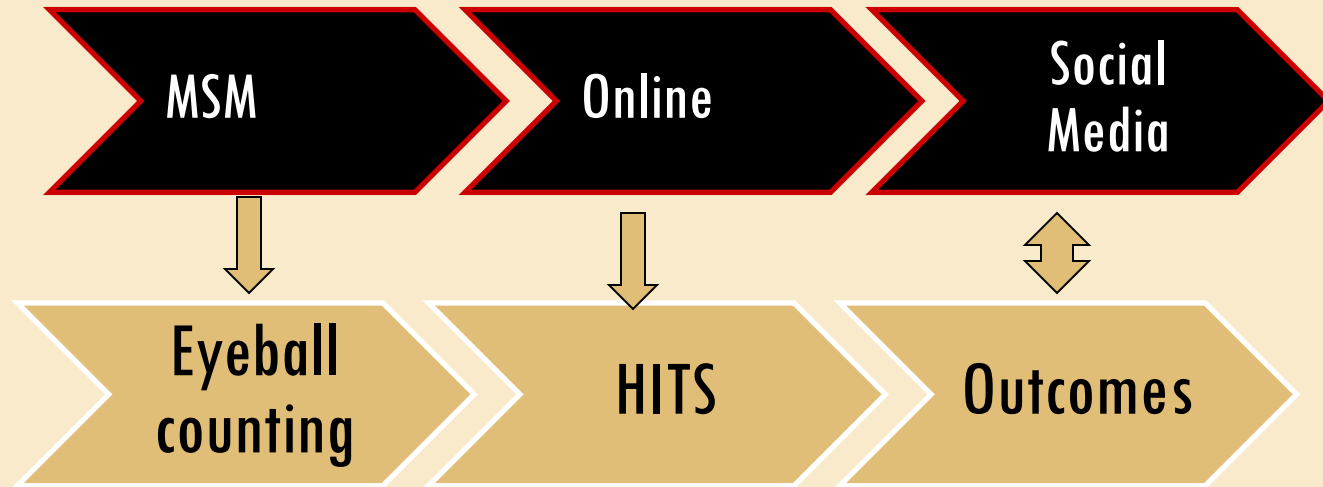
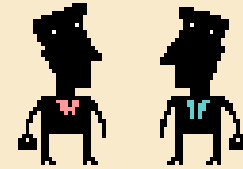


# 10 Signs that it's the end of measurement as we know it



1. 48% of respondents to a PRWeek study said they were moving \$\$ out of advertising budgets into Social Media. Only 18% said they were taking \$\$ away from PR.
2. % of traditional media coverage vs. online has gone from 90% to 10% in 3 years
3. News now routinely breaks on Twitter before it makes it to AP
4. Procter & Gamble is now paying for engagement, not eyeballs
5. Sodexo cut \$300K out of its recruitment budget using Twitter
6. BMC Software measures communications effectiveness based on contribution to EPS
7. HSUS generated \$650,000 in new donations from an on-line photo contest on Flickr
8. receives more leads, sales and exposure from a \$500 podcast than it does from an ad
9. 11 Mom's turned around Wal-Mart's image and delivered measureable increases in sales.
10. 1 person --Dave Carroll (United Breaks Guitars) cost United \$180M—the cost of more than 51,000 replacement guitars.
11. Army video game is measurable more successful in recruiting than ads
12. SAP made \$1 million from its small business community

# A measurement timeline



# The New Decision Tree

Awareness

Consideration

Preference

Trial

Purchase

Find

Observe/  
Lurk

Participate

Engagement

Purchase/Act  
/Link/WOM



# Social Media renders everything you know about measurement obsolete



## Old School Communications



## 21<sup>st</sup> Century Role



The definition of timely has changed



The definition of reach has changed



GRPs & Impressions are impossible to count (an irrelevant) in social media



The definition of success has changed



The answer isn't how many you've reached, but how those you've reached have responded

# Social Media Disrupts the Marketplace

ADV/DM/POS

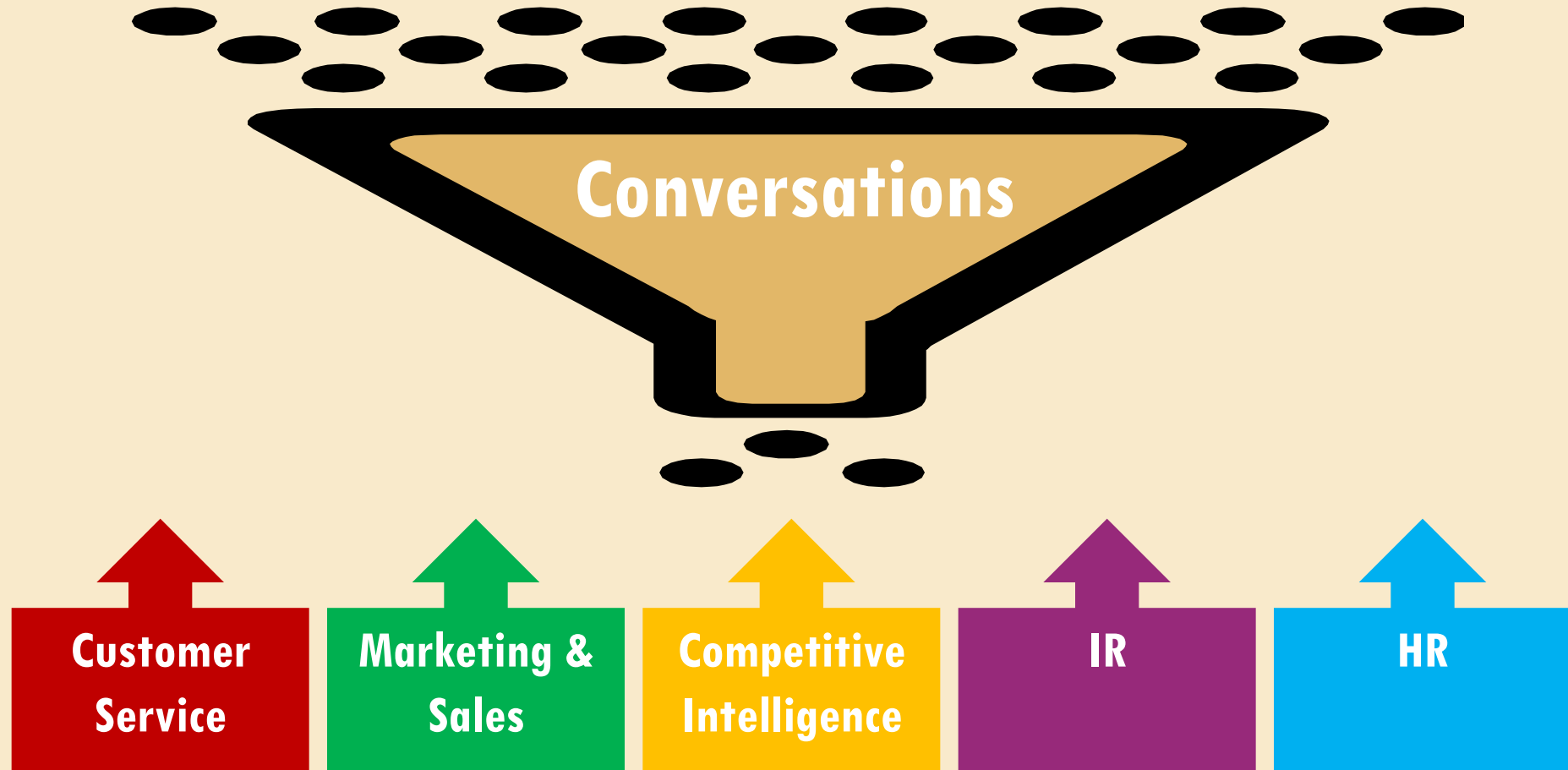
CRM

MKTG



Customer complaints  
Activist boycotts  
Competitors agenda  
Negative experiences

# It's not just about marketing anymore



# Old School Metrics



AVEs



Eyeballs



HITS (How Idiots Track  
Success)



Couch Potatoes



# of Twitter Followers  
(unless you're a celebrity)



# of Facebook  
Friends/Fans (unless they  
donate money)



# New School Metrics



**Influence = The power or ability to affect someone's actions.**



**Engagement = Some action beyond zero**



**Advocacy = engagement driven by an agenda**

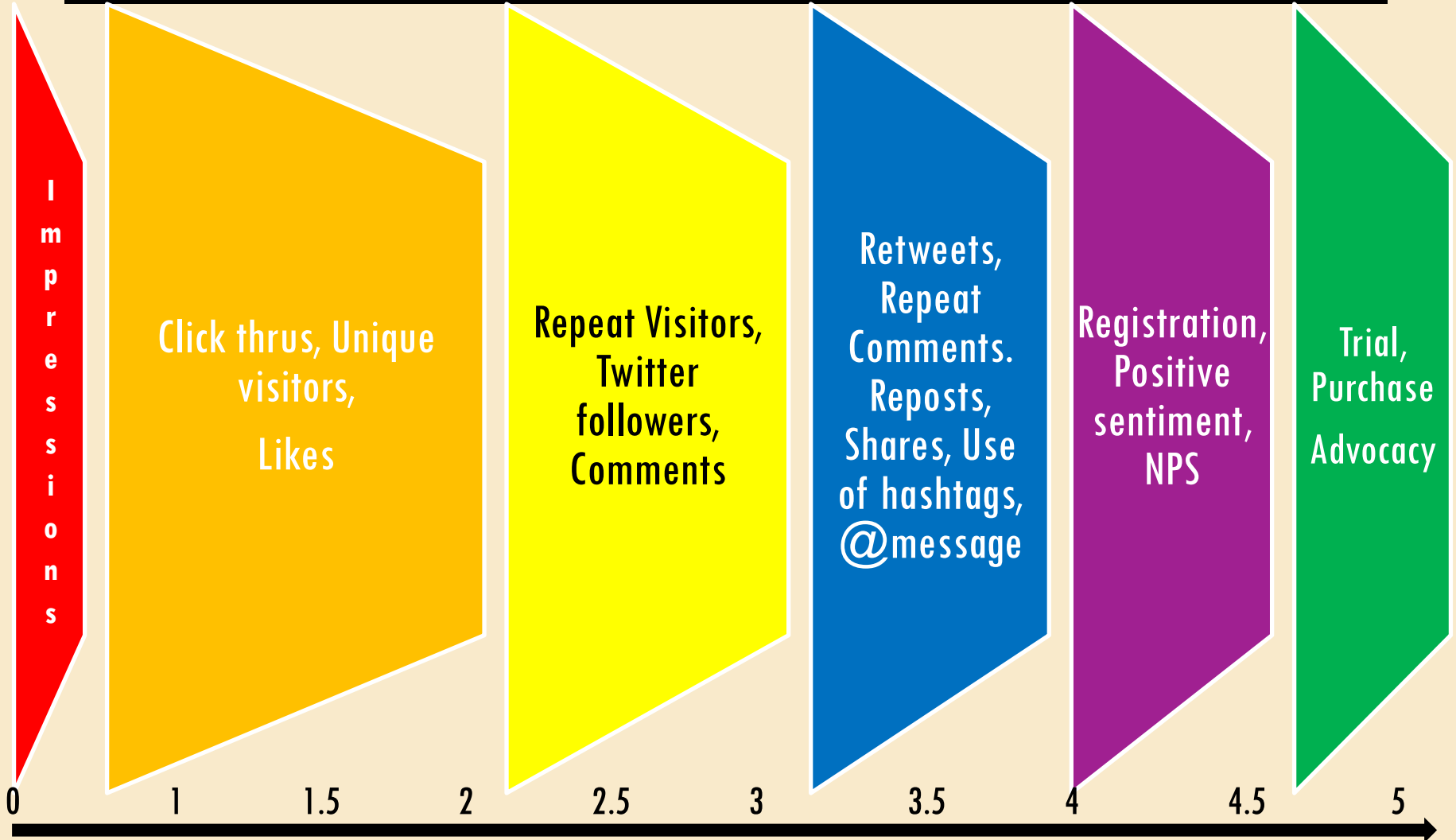


**Sentiment = contextual expression of opinion — regardless of tone**



**ROI: Return on Investment — no more no less. End of discussion**

# The Phases of Engagement



# Goals, Actions and Metrics

Goal	Action	Output Metric	Outtake Metric	Outcome Metric
Increased on-line donations	Revamp website	Amount of content on web site	% perceiving ASPCA as a reliable source	% increase in web traffic and donations
#1 most trusted source for information on companion animals	Increase staffing and resources for communications	Increased exposure of “trusted source” message	Increased perception of ASPCA as trustworthy and comprehensive source	% increase in agreement with the statement
Website is preferred site for information	Add content, features to web site, keep up to date	% increase in traffic	% agreeing with the statement	# 1 rankings, and time spent on site
Integration of department	Reorganize department	More integrated materials produced on time and on budget	Internal perception is “one department”	Consistent messaging throughout

# The 7 steps to the perfect measurement system

1. Define the “R” — Define the expected results? So what if they’re engaged? What does that mean to the organization?
2. Define the “I” -- What’s the investment?
3. Understand your audiences and what motivates them
4. Determine what you are benchmarking against
5. Define the metrics (what you want to become)
6. Pick a tool and undertake research
7. Analyze results and glean insight, take action, measure again

# Step 1: Define the “R”



**What return is expected?**



**Define in terms of the business or mission**



**Revenue generated or saved.**













**What problems are you trying to solve?**



**If you are celebrating complete 100% success a year from now, what is different about the organization?**



# How PR Positively Affects Reputation / Brand Equity

-  Increases likelihood to purchase / consider your brand(s)
-  Minimizes the effects of a crisis
-  Reinforces communication of organizational values
-  Rebuilds trust after a crisis
-  Establishes credibility of new products / companies; ease of market entry
-  Commanding higher prices, lower costs, premium on stock price
-  Enhances recommendations / word of mouth leading to faster adoption
-  Increases customer loyalty / renewals / satisfaction
-  Improves the attracting / retaining of talent
-  Lowers legal costs

# How PR Impacts Employees



Increases employee satisfaction and engagement, leading to greater efficiency, increased retention, lower turnover rates, lower recruitment costs, and higher productivity



Lowers legal costs



Change employee behaviors such as greater levels of focus on key areas such as safety, quality, call response times



Provides greater transparency and commitment to and from employees



Creates a platform should it be necessary to communicate bad news at some stage in the future

\* Note items here can also refer to other internal publics such as trade association members.

# How PR Affects Public Policy



Creates public awareness, understanding, and support for legislation, regulation, and political candidates



Affects voter behavior



Helps pass legislation, regulation, and initiatives



Affects specific companies and industries through appropriations, tax impacts, and regulatory changes that can affect any and all aspects of a business



Instigates and perpetuates grassroots campaigns

## Step 2: Define your investment



You can't divide by \$0



People time



Opportunity Cost



Executive time/goodwill

## Step 3: Understand what motivates your stakeholders and prioritize your stakeholders



What motivates customers to purchase, members to join, students to apply, etc.



What is your role in the outcome?



Prioritize based on benefits

# Step 4: Define your benchmarks



Without benchmark you have no context



Benchmark against:



Past Performance



Different programs, different tactics



Think 3

Peer

Underdog nipping at your heels

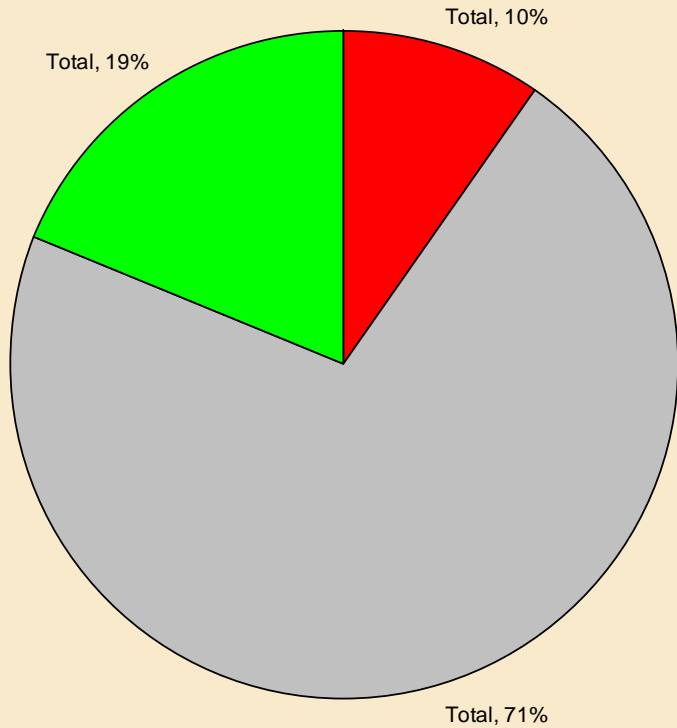
Stretch goal



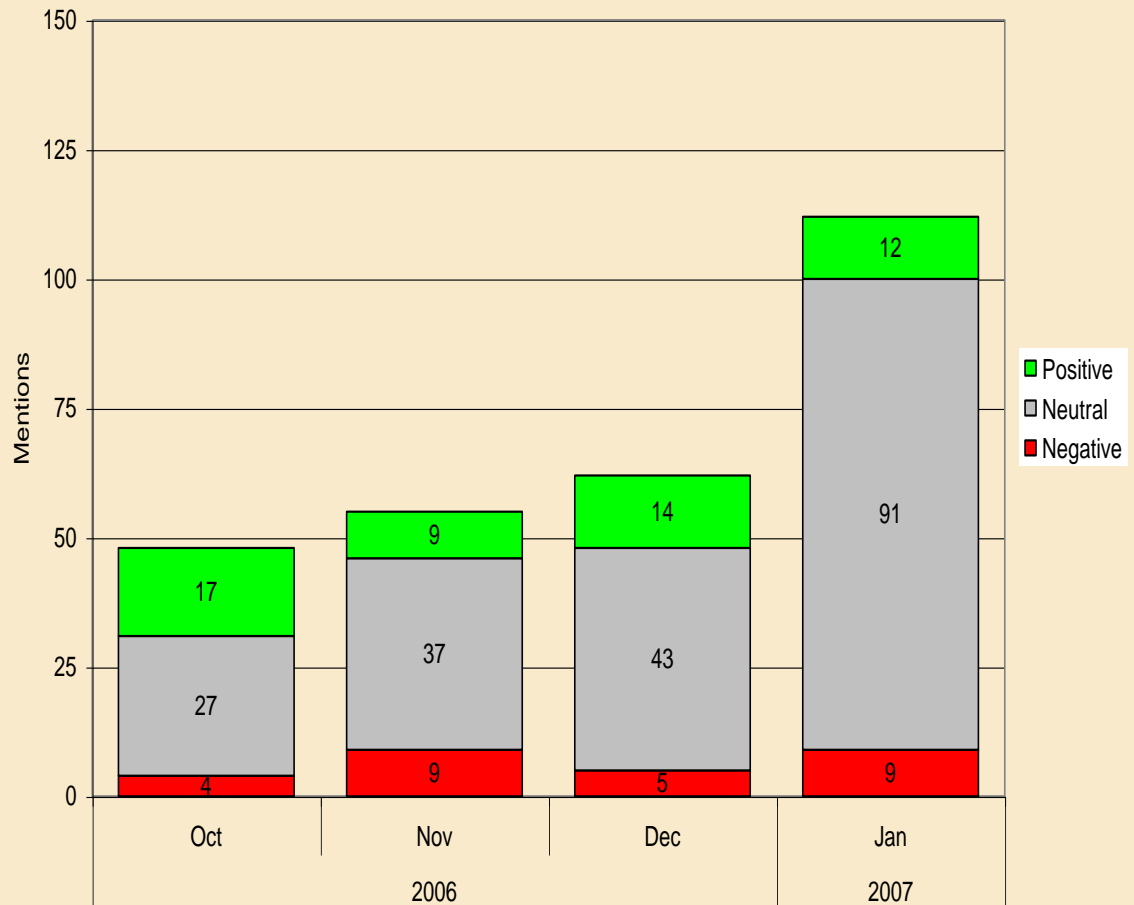
Whatever keeps the C-suite up at night

# Past performance: tonality of blog content

Tonality of all blog postings

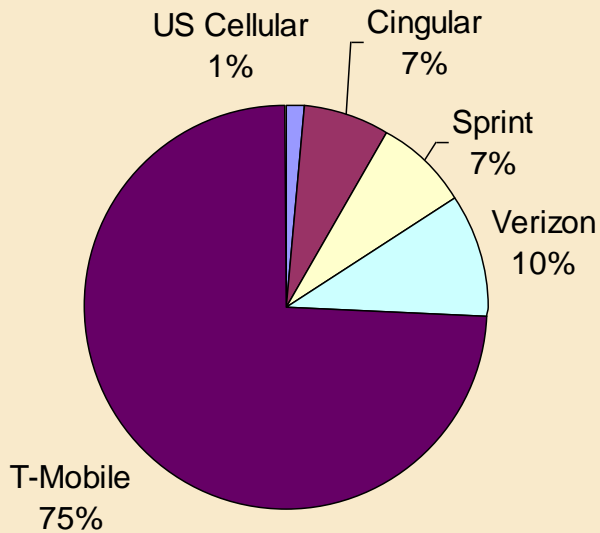


Tonality of Coverage Over Time

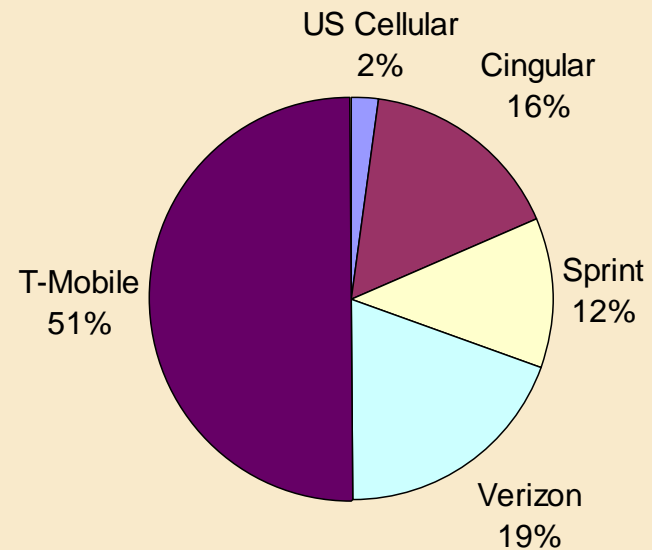


# The competitive landscape

## Technorati mentions with high authority



## Company "sucks" mentions in Technorati with high authority



## Step 5: Why you need a KBI (Kick-Butt Index)?



Get clarity about what to measure



You decide what's important:



Benchmark against peers and/or competitors



Track activities against KBI over time



Understand the cost of perfection vs. good enough

# Step 5: Define your Key Performance Indicators (KPIs)



You become what you measure, so pick your KPI carefully



The Perfect KPI

✦ Gets you where you want to go (achieves corporate goals)

✦ Is actionable

✦ Continuously improves your processes

✦ Is there when you need it



KPIs should be developed for:

✦ Programs

✦ Overall objectives

✦ Different tactics



# KPIs lead to goals

## Metrics

Exposure  
Friends  
Followers + Engagement + \$\$\$  
raised



Start



Goal



# Step 5: Potential KPIs for Media Relations

- ✦ Cost Per Message Communicated
- ✦ Increase in % of discussion containing key messages
- ✦ % increase in Optimal Content Score
- ✦ Share of discussion vs. the competition
- ✦ Share of brand visibility vs. the competition
- ✦ Share of spokesperson visibility vs. the competition
- ✦ Share of desirable coverage (positive+neutral coverage) vs. the competition
- ✦ Share of negatives
- ✦ Share of favorable positioning on key topics/battles
- ✦ Share of mentions by key media (including A-list bloggers)

# Potential KPIs for thought leader visibility

- ✦ Our share of quotes in mass media
- ✦ Our share of papers in scientific/academic/trade journals
- ✦ Our leaders appointed to key professional boards over time
- ✦ Our share of papers at key conferences
- ✦ % awareness among “influentials”
- ✦ Total opportunities to see our message via speaking engagements

# Potential KPIs for Community Relations

- ✦ Ratio between positive and negative press in local media
- ✦ % of articles in local media that contain our key messages
- ✦ % improvement in relationships scores between us and local community and those that influence the local community.

# Step 6: Conduct research (if necessary)



**First: find out what already exists**



**Web traffic**



**Customer Satisfaction data**



**Customer Loyalty data**



**Second: Decide what research is needed to give you the information you need:**

# Step 6: Selecting a measurement tool

Objective	KPI	Tool
More efficient customer acquisition	% decrease in cost per customer acquisition % increase in leads vs. activity	Web Analytics + CRM
Reduction in churn	% renewal rate by activity % repeat traffic	Web Analytics + CRM
Engage marketplace	Conversation index greater than .8 Rankings % increase in engagement	Web analytics or Content Analysis: TypePad, Technorati Omniture, Google Analytics
Communicate messages	% of articles containing key messages Total opportunities to see key messages Cost per opportunity to see key messages	Media content analysis –

# Step 6: Pick a measurement tool

 Content analysis determines if they *sound* engaged

☀ Listening tools for places you can't control

☀ Evaluation tools for places you can control.

 Survey research determines if they *feel* engaged

 Web analytics determine if they *act* engaged.

# 1. Do they *sound* like they're engaged? Measurement of places over which you have no control



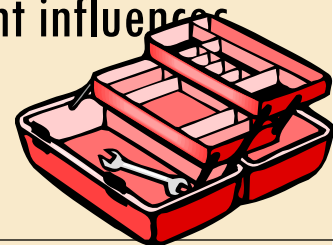
## Content sources:

- Google News/Google Blogs, RSS feeds, Technorati, Social Mention, Tweetdeck, Radian 6, Sysomos, Alterian, Visible Technologies, Scout Labs, Cyberalert, CustomScoop, e-Watch, Crimson Hexagon, Boardreader



## A way to analyze that content

- SAS SMA, Cymfony, Humans
- Census vs. random sample
- Sentiment vs. Topics
- The 80/20 rule — Measure what matters because 20% of the content influences 80% of the decisions



# Do they *sound* like they're engaged? Measurement of places over which you have no control



Traditional Media



Conversations in:



Blogs



Facebook

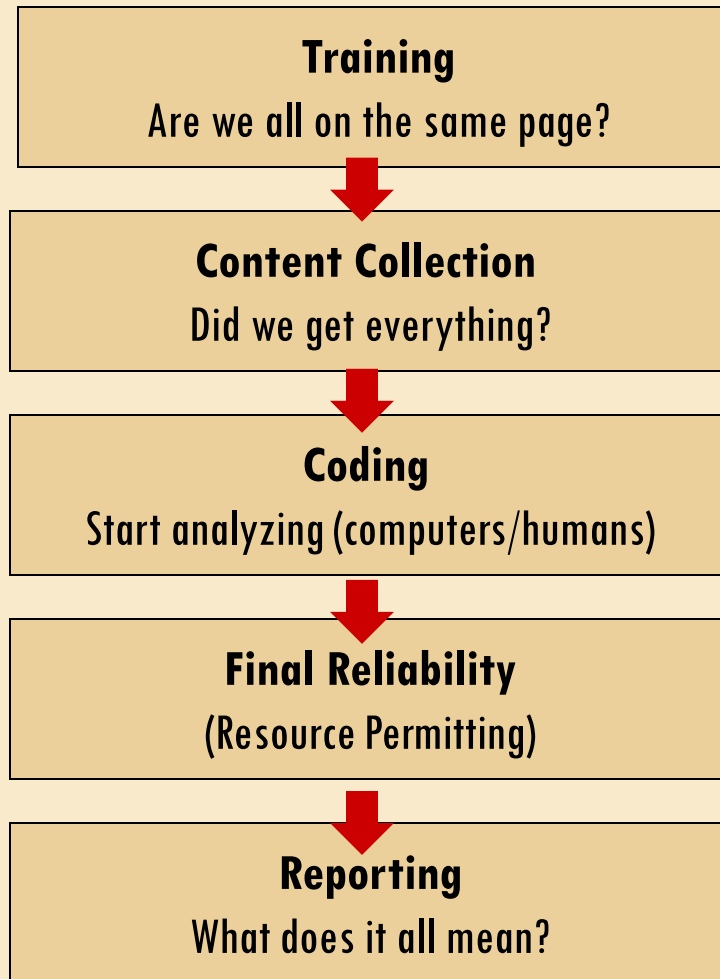


YouTube



Twitter

# The Content Analysis Process



# Then: A coding methodology



## Tonality

Positive

Negative

Neutral

Balanced



What messages were communicated



How you're positioned on key issues



Dominance/Prominence/Visibility



Authority/Influence of author



Subject of the article/posting



Who was quoted?



Products, events, initiatives, battles mentioned



The Kick Butt Index

# Optimal content score for media coverage



## Positive:

- ☀ Mentions of the brand
- ☀ Positive brand mentions
- ☀ Key messages
- ☀ Customer quoted positive
- ☀ Analyst quoted
- ☀ Positioned as trusted partner
- ☀ Positioned as trustworthy, ethical
- ☀ Positioned as vendor of choice
- ☀ Positioned as global
- ☀ Positioned as one company



## Negative

- ☀ Omitted
- ☀ Negative tone
- ☀ No key message
- ☀ No quote
- ☀ No analyst quote

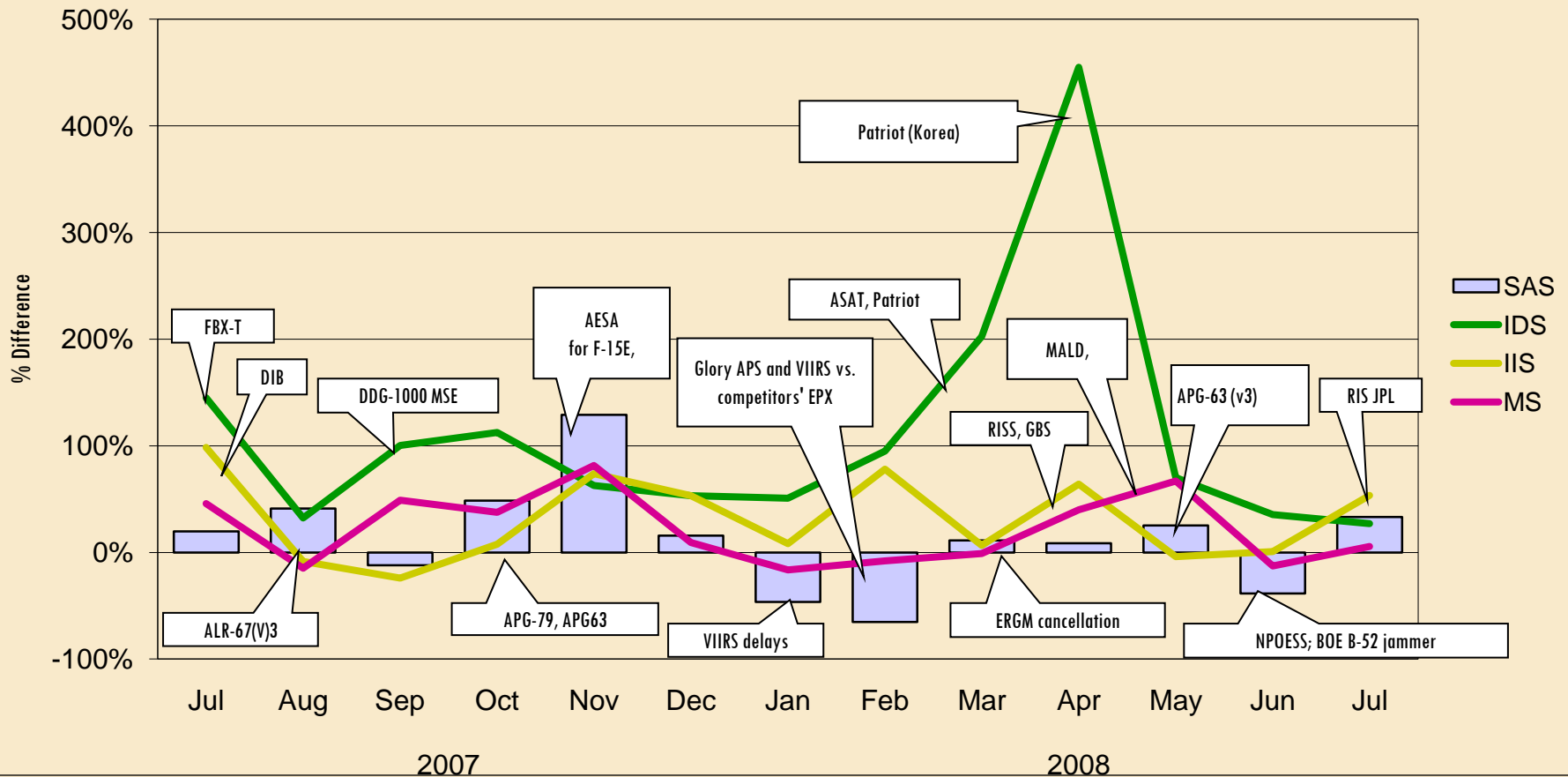
# How to calculate your KBI

-10						
Quality score	+10		0		-10	
		Score		Score	Score	
<b>Tonality</b>	Positive	3	Neutral	0	Negative	-3
					Positions the competition favorably or positions Sargento negatively	-2
<b>Positioning</b>	Contains	2	Doesn't contain	0	Does not contain or miscommunicates key message (neg mess)	-1
<b>Messaging</b>	Contains	3	partially contains	0	Does not contain	-1
<b>Quotes</b>	Contains	1			Competition mentioned prominently	-3
<b>Competitive mention</b>	Does not mention Competition	1				
<b>Total Score</b>		10		0		-10
-10						
Visibility Score	+10		0		-10	
		Score		Score	Score	
<b>Brand Photo</b>	Contains	3	Doesn't contain	0	Contains competitive photo	-5
<b>Dominance</b>	Focal point	3			Not a focal point	-1
<b>Visibility</b>	Headline mention	2	Top -20% of story	0	Minor mention	-2
<b>Target publication</b>	Top Tier	2	2nd tier	0	Not on target list	-2
<b>Total Score</b>		10		0		-10

# Charting KBI over time between divisions

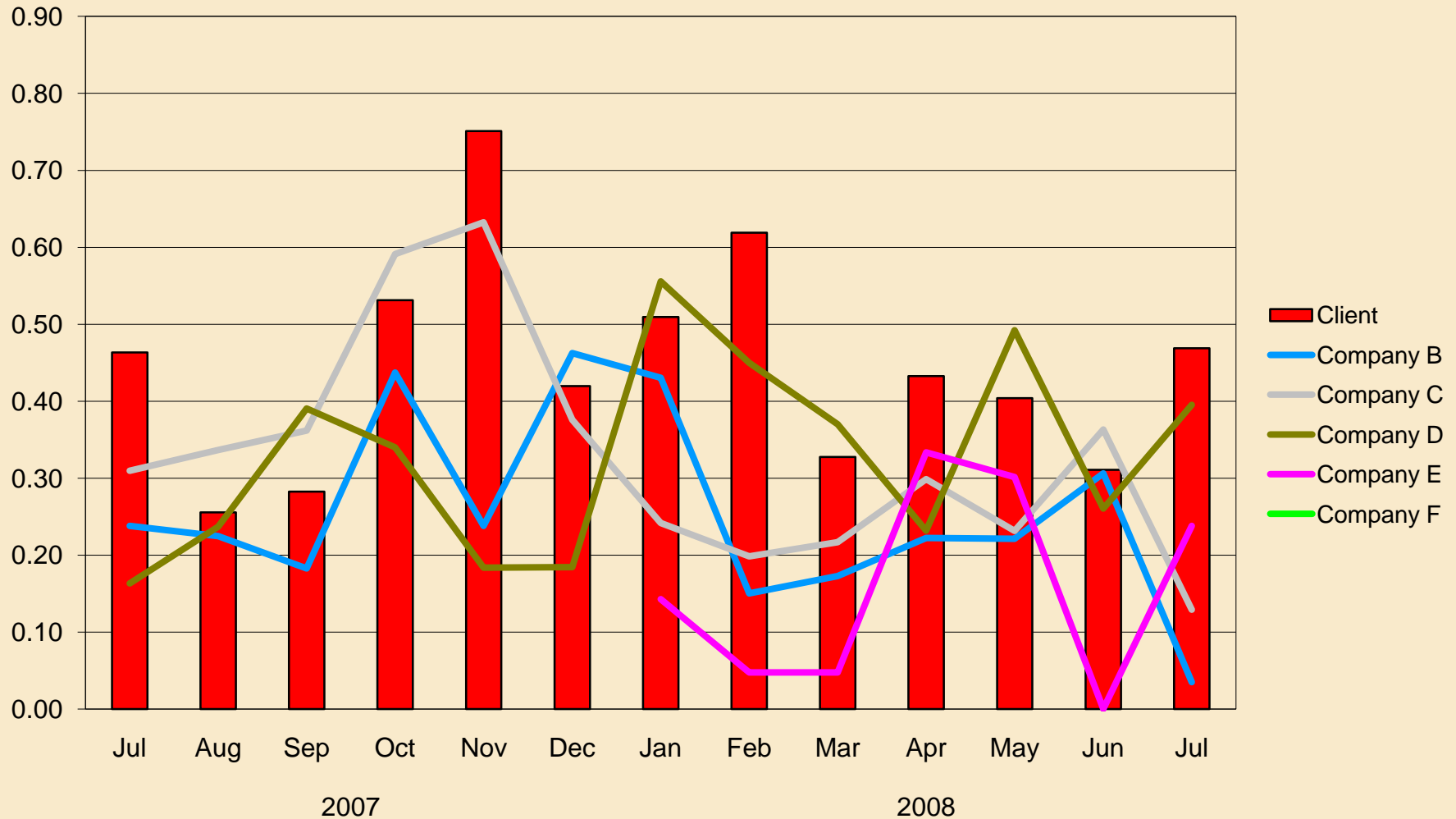
## Kick Butt Score Relative to other LOBs

The Percent Difference Between Each Business Unit's Average KBI and the KBI for each Business Unit



# Trend against competition with KBI

## KBI by Company



# Aspects of relationships



Control mutuality



Trust



Satisfaction



Commitment



Exchange relationship



Communal relationship

# Components of a Relationship Index



## Control mutuality

- ✳ In dealing with people like me, this organization has a tendency to throw its weight around. (Reversed)
- ✳ This organization really listens to what people like me have to say.



## Trust

- ✳ This organization can be relied on to keep its promises.
- ✳ This organization has the ability to accomplish what it says it will do.



## Satisfaction

- ✳ Generally speaking, I am pleased with the relationship this organization has established with people like me.
- ✳ Most people enjoy dealing with this organization.



## Commitment

- ✳ There is a long-lasting bond between this organization and people like me.
- ✳ Compared to other organizations, I value my relationship with this organization more



## Exchange relationship

- ✳ Even though people like me have had a relationship with this organization for a long time; it still expects something in return whenever it offers us a favor.
- ✳ This organization will compromise with people like me when it knows that it will gain something.
- ✳ This organization takes care of people who are likely to reward the organization.



## Communal relationship

- ✳ This organization is very concerned about the welfare of people like me.
- ✳ I think that this organization succeeds by stepping on other people. (Reversed)

## Step 7: Analysis - -Research without insight is just trivia



Look for failures first



Check to see what the competition is doing



Then look for exceptional success



Compare to last month, last quarter, 13-month average



Figure out what worked and what didn't work



Move resources from what isn't working to what is

## Step 7: Take action and measure again



Make sure data is ready

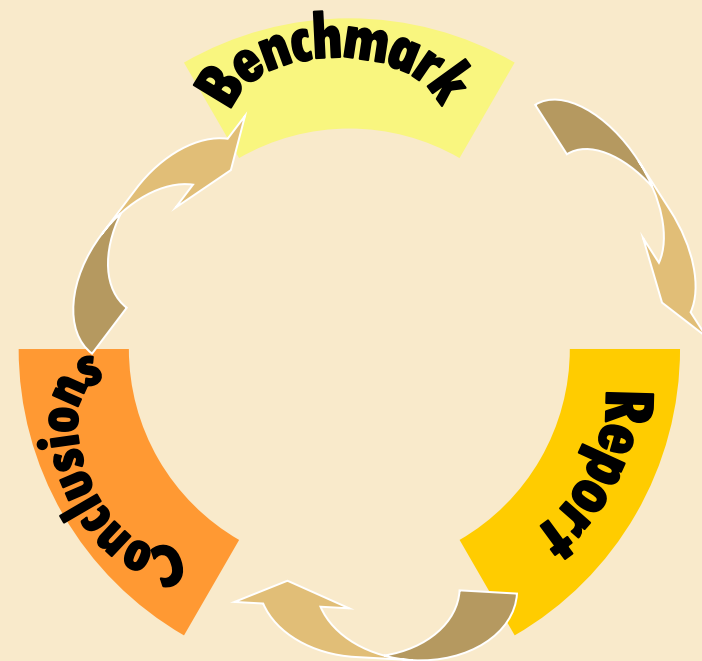
when you need it



Work around regular  
reporting schedules



Keep questions and criteria  
consistent



# Actionable Conclusions

**A**sk for money

Get **C**ommitment

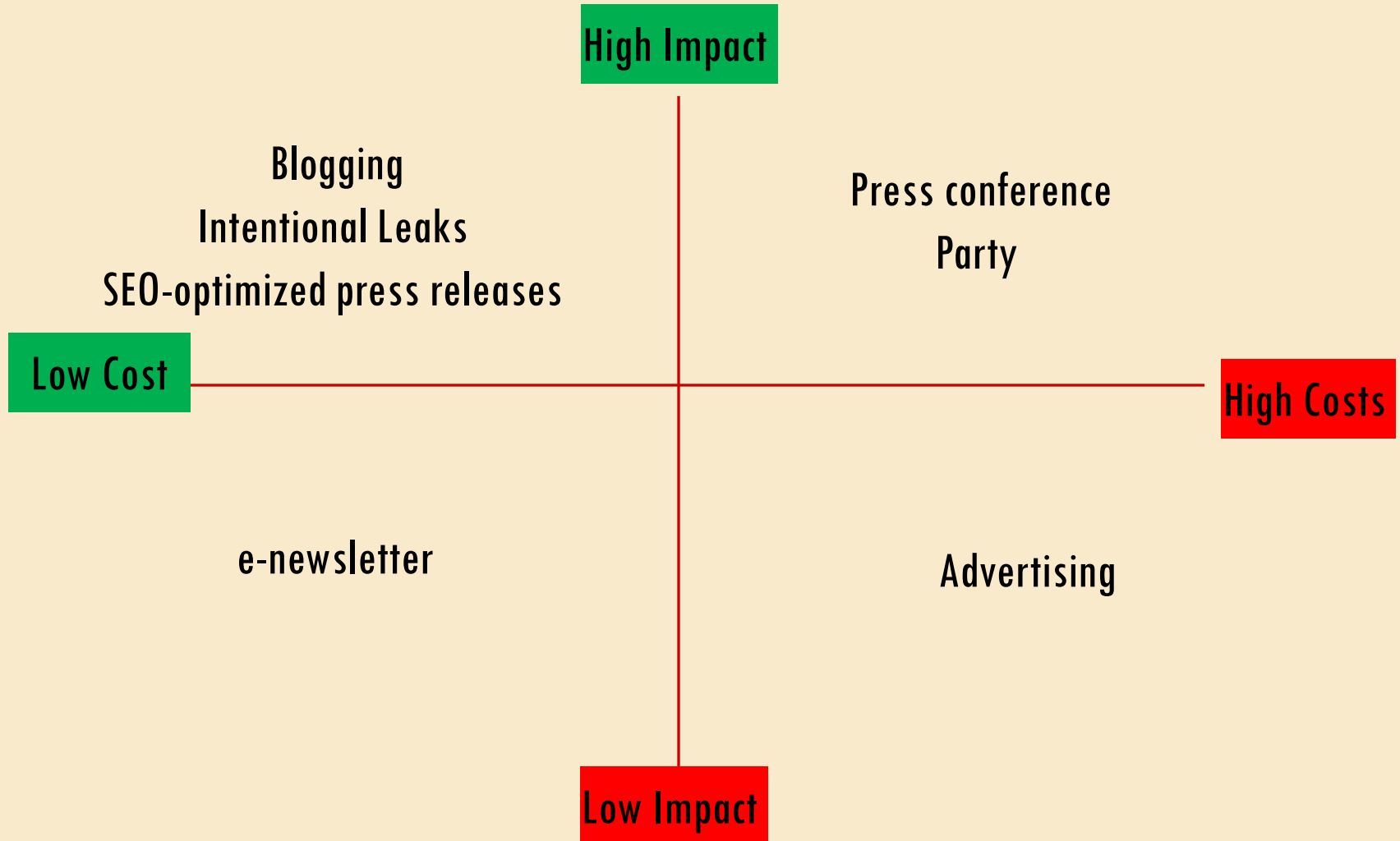
Manage **T**iming

**I**nfluence decisions

Get **O**utside help

Just Say **N**o

# Measuring doesn't have to be complex



# Mistakes made most often in the measurement process

1. Lack of agreed upon goals
2. Questionable methodology
3. Unclear definition of tone/sentiment
4. Incorrect search strings
5. Incomplete or out-of-date media list (no CGM)
6. Incorrect circulation figures
7. New products/spokespeople not added to analysis parameters
8. Promising a Jaguar on a bicycle budget
9. Not allowing enough time to do measurement right
10. Insufficient so what — looking at the trees not the forest

# Thank You!



For more information on measurement, read my  
blog: <http://kdpaine.blogs.com> or subscribe to The  
Measurement Standard:

[www.themeasurementstandard.com](http://www.themeasurementstandard.com)



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