

It's the 21st Century Do you where your metrics are?

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Measurement is not new

“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

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



1. BMC Software measures its Corporate Communications Dept. on contributions to EPS
2. 1 person --Dave Carroll (United Breaks Guitars) cost United \$180M—the cost of more than 51,000 replacement guitars.
3. The CEO of a hospital won a union battle via blogging.
4. Sodexo cut \$300K out of its recruitment budget using Twitter
5. HSUS generated \$650,000 in new donations from an on-line photo contest on Flickr
6. A company in Utah used Social Media to reconnect ex-employees and tap into their expertise, thereby increasing efficiency and lowering response time.
7. State Farm got its CEO to blog & measurably increased job satisfaction
8. P&G increased sales 16% thanks to the Old Spice social media campaign
9. Using Twitter a NH entrepreneur won a nationwide distribution contract and I sold a house
10. Goodwill tracks the impact of its social media on in-store traffic and sales

Don't believe what you hear

- 44 % of junk mail goes to landfills unopened and a response rate of less than .25% is now acceptable
- On average less than 1 % of all emails is actually opened by a human being and acted upon.
- A 3% open rate for digital ads is considered extraordinary
- P&G found that PR delivered a 275% ROI-- 8x the value of TV and 4 x trade ads
- IBM sold more with a \$500 podcast than a \$40,000 ad campaign
- Web analytics are inherently flawed because they don't consider the right variables.



What's changed?



Social media



The financial meltdown



Computer technology



Business analytics



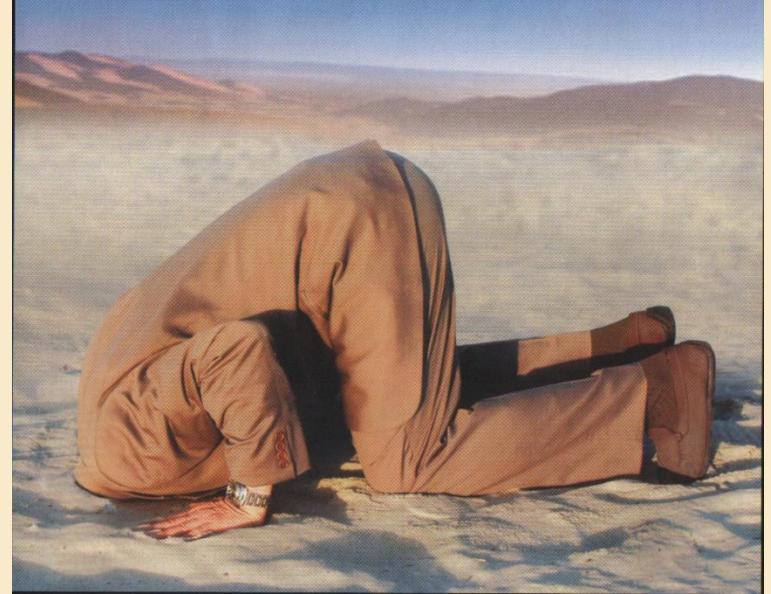
Automated sentiment



Digital media



The Barcelona Principles



Why the Barcelona Principles?



The communications landscape is changing rapidly



A lack of clear standards and approaches to PR measurement results in the profession not always being taken seriously; it doesn't count unless you can count it



AVEs, random use of multipliers, and other silly metrics and practices diminish the integrity of the profession and the market size



As a profession, we spend more time arguing amongst ourselves rather than building the field



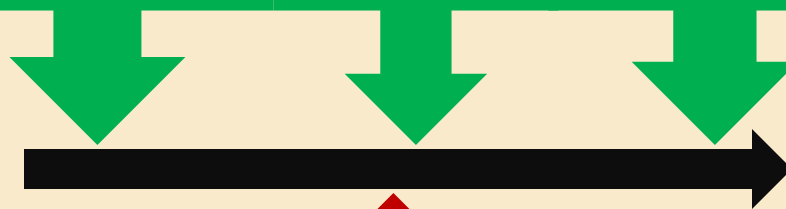
We are at a moment in time to make difference, and alter the path we are on, taking advantage of the opportunity to “own” the new communications environment

The Barcelona Principles

1. Importance of Goal Setting and Measurement
2. Measuring the Effect on Outcomes is Preferred to Measuring Outputs
3. The Effect on Business Results Can and Should Be Measured Where Possible
4. Media Measurement Requires Quantity and Quality
5. AVEs are not the Value of Public Relations
6. Social Media Can and Should be Measured
7. Transparency and Replicability are Paramount to Sound Measurement

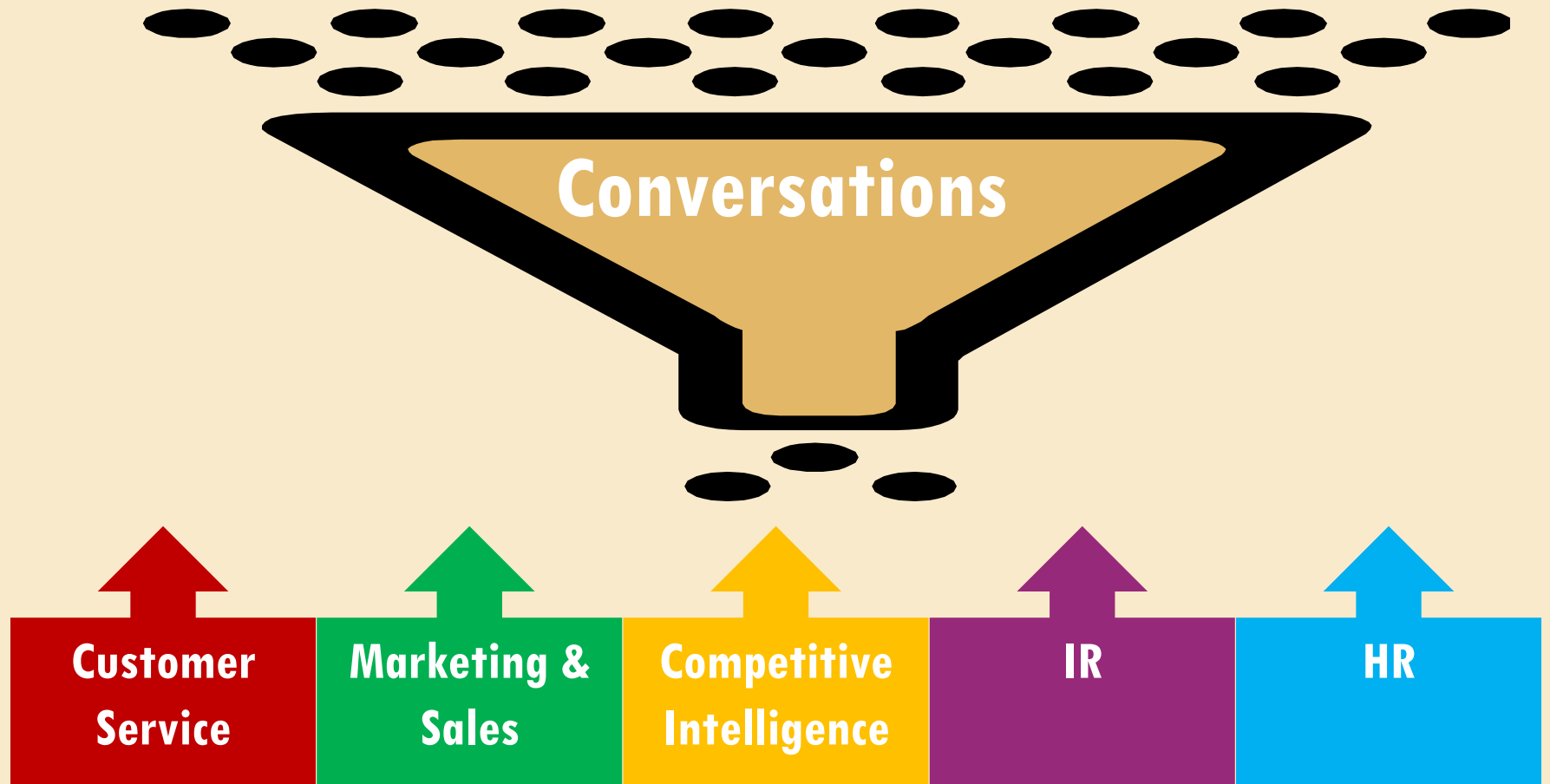
Social Media Disrupts the Marketplace

Internal Comms CRM Mktg/Ads/POS
/DM

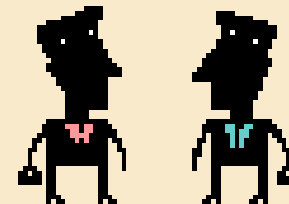
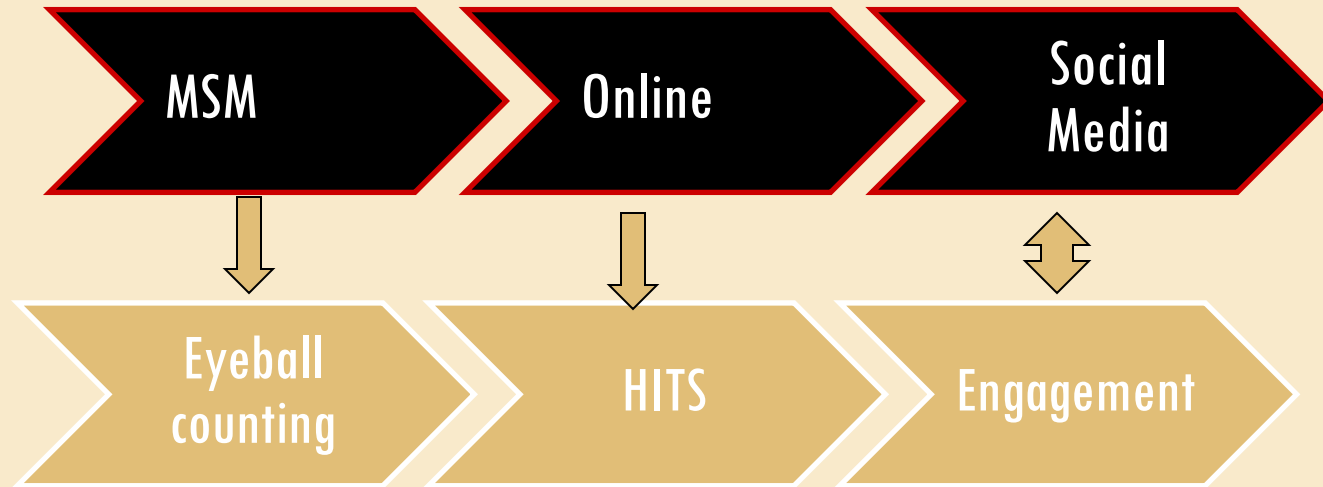
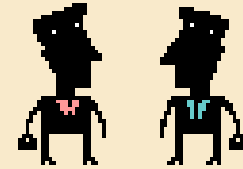
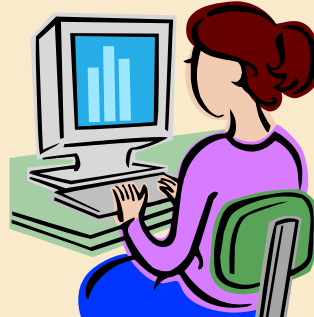


Disgruntled former employees
Customer complaints
Activist boycotts
Competitors agenda
Negative experiences

It's not just about marketing anymore



A measurement timeline



The New Engagement 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



The definition of timely has changed



The definition of reach has changed



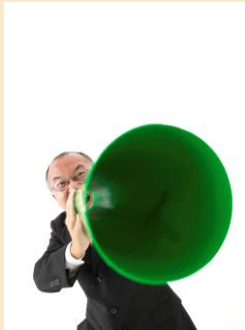
GRPs & Impressions are impossible to count (an irrelevant) in social media



The definition of success has changed



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




Old School Communications



21st Century Role

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

 Lower recruitment costs compared to adv.

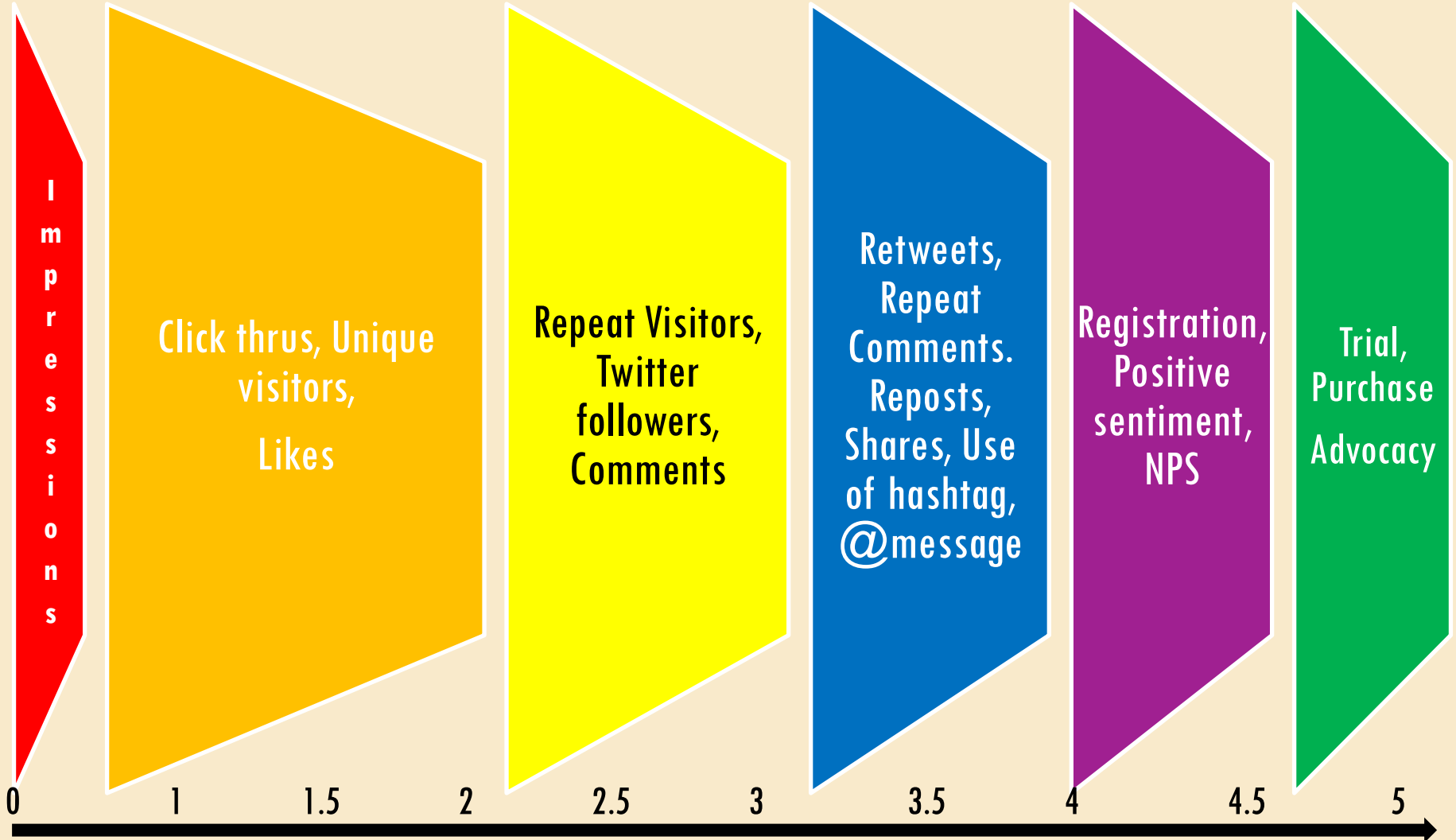
 Higher retention rate

 Higher productivity

 Greater efficiency

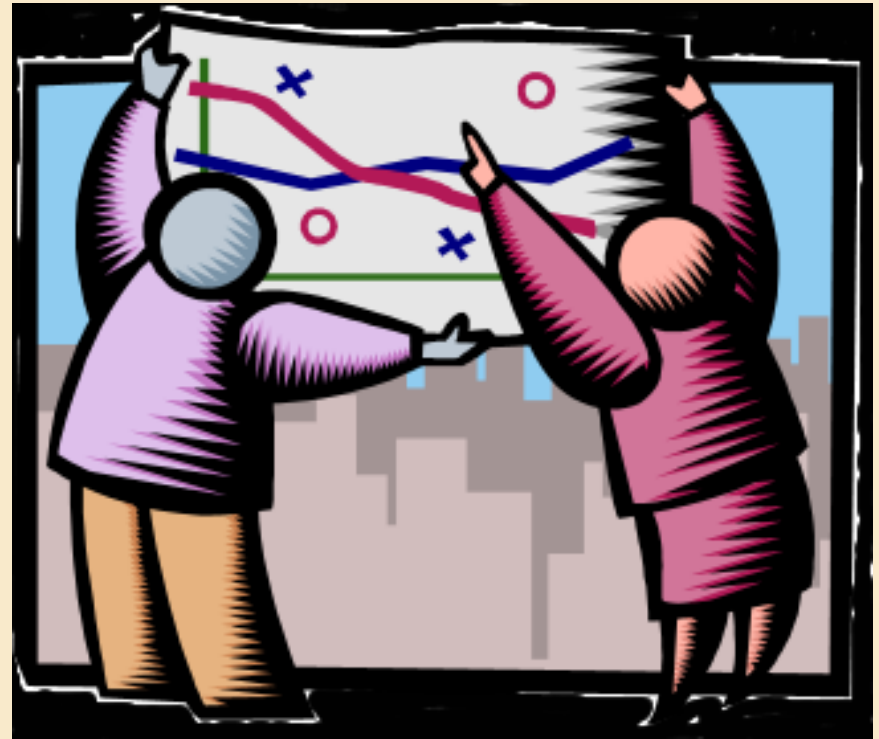


The Phases of Engagement



6 Steps to the perfect measurement system

1. Define the “R” in your ROI
2. Define the audience
3. Establish benchmarks
4. Define your Kick Butt Index
5. Pick a tool
6. Figure out what it means, change and measure again



Step 1: Set clear measurable objectives



What problem do you need to solve



Don't do it if it doesn't add value



You can't manage what you can't measure, set measurable goals

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?



Measurable Goals for Marketing Today

1. Marketing/leads/sales/
2. Mission/safety/civic engagement
3. Relationship/reputation/positioning



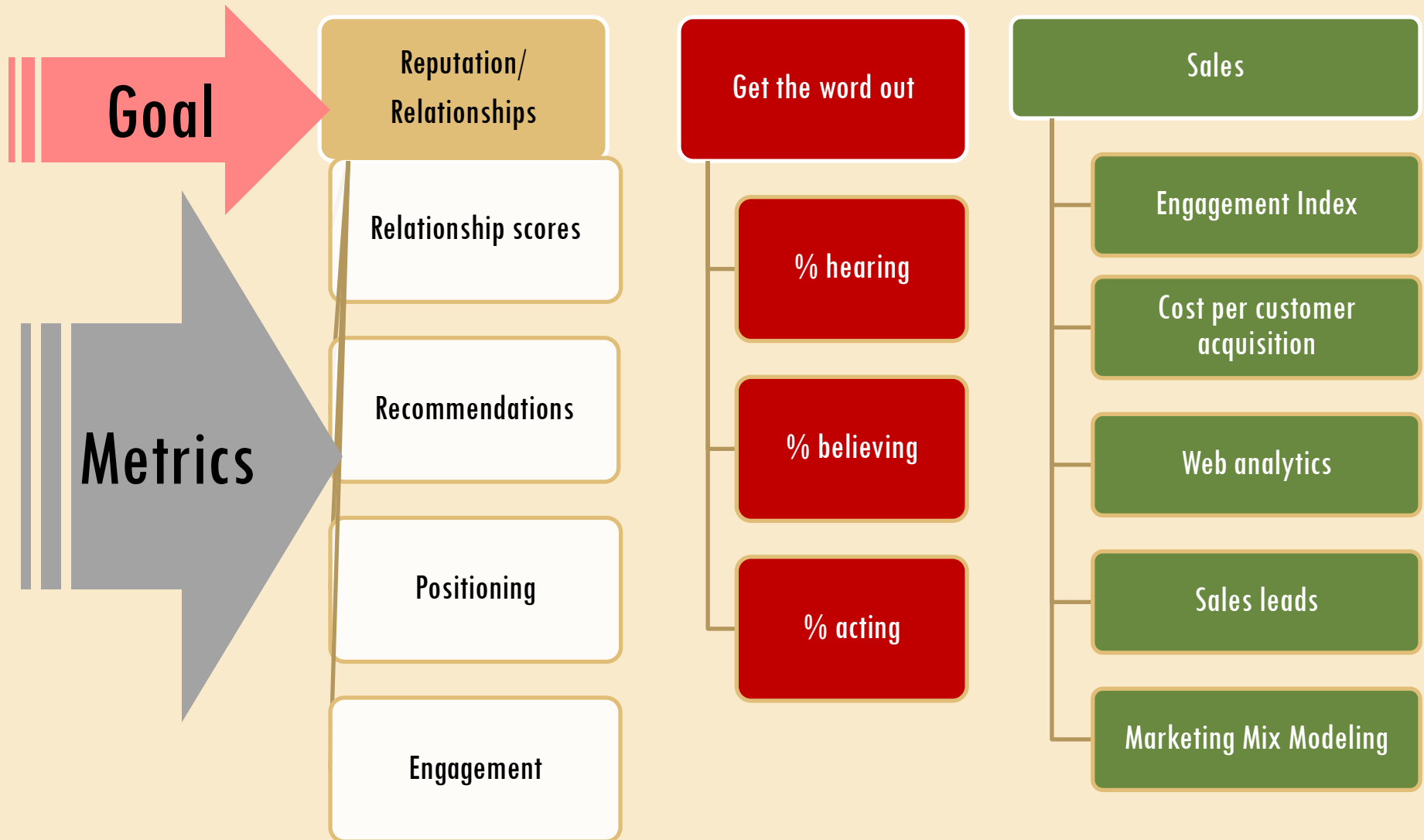
To fix this



Or get to this



Goals drive metrics, metrics drive results



Step 2: Check in with your stakeholders



Should you blog or Twitter?



Don't ask me, ask your customers



What's important to them?



Where do they go for information?



What do you want them to know?



Connect your effort to the outcome



Step 3: Establish benchmarks



A peer group



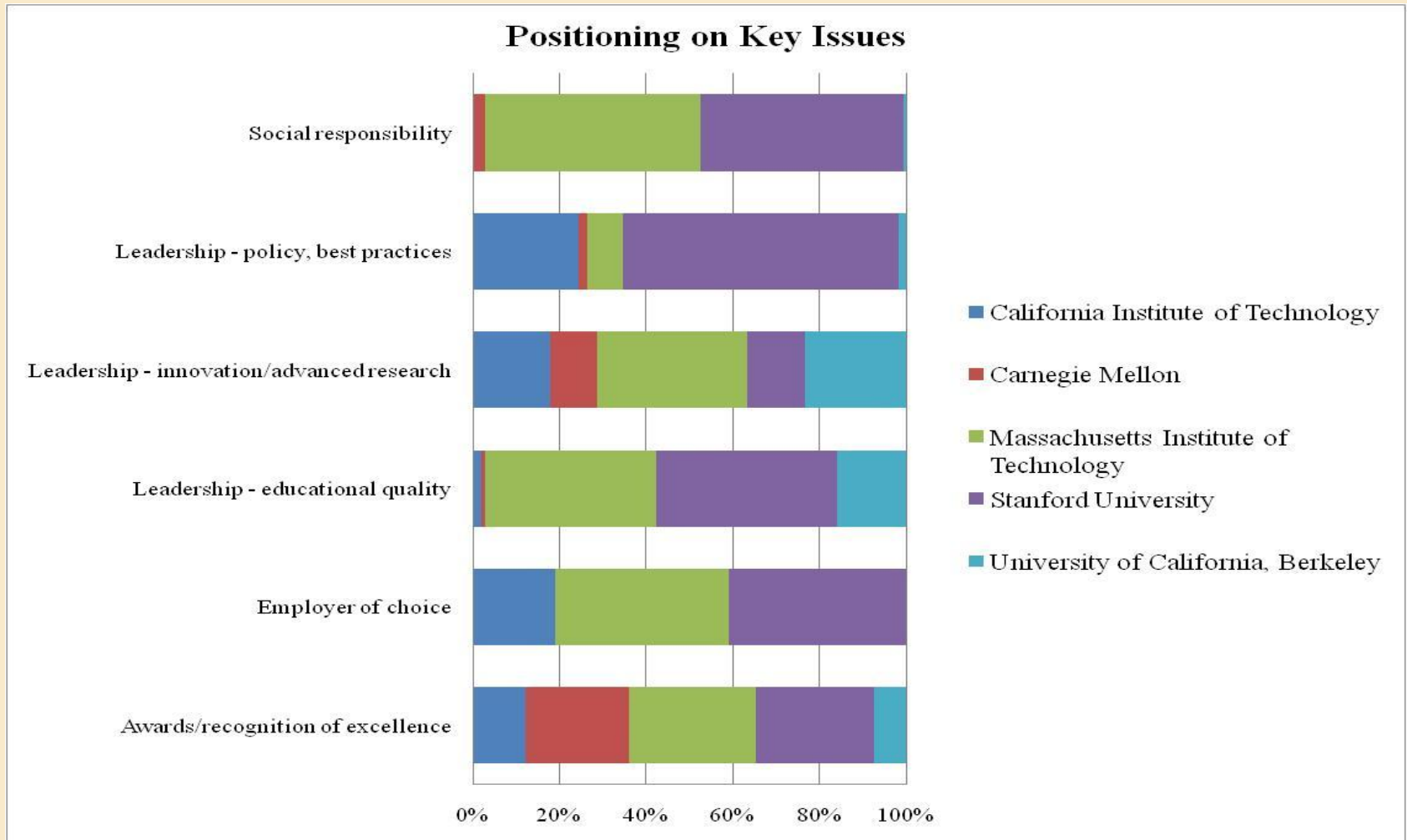
Control groups vs. other departments



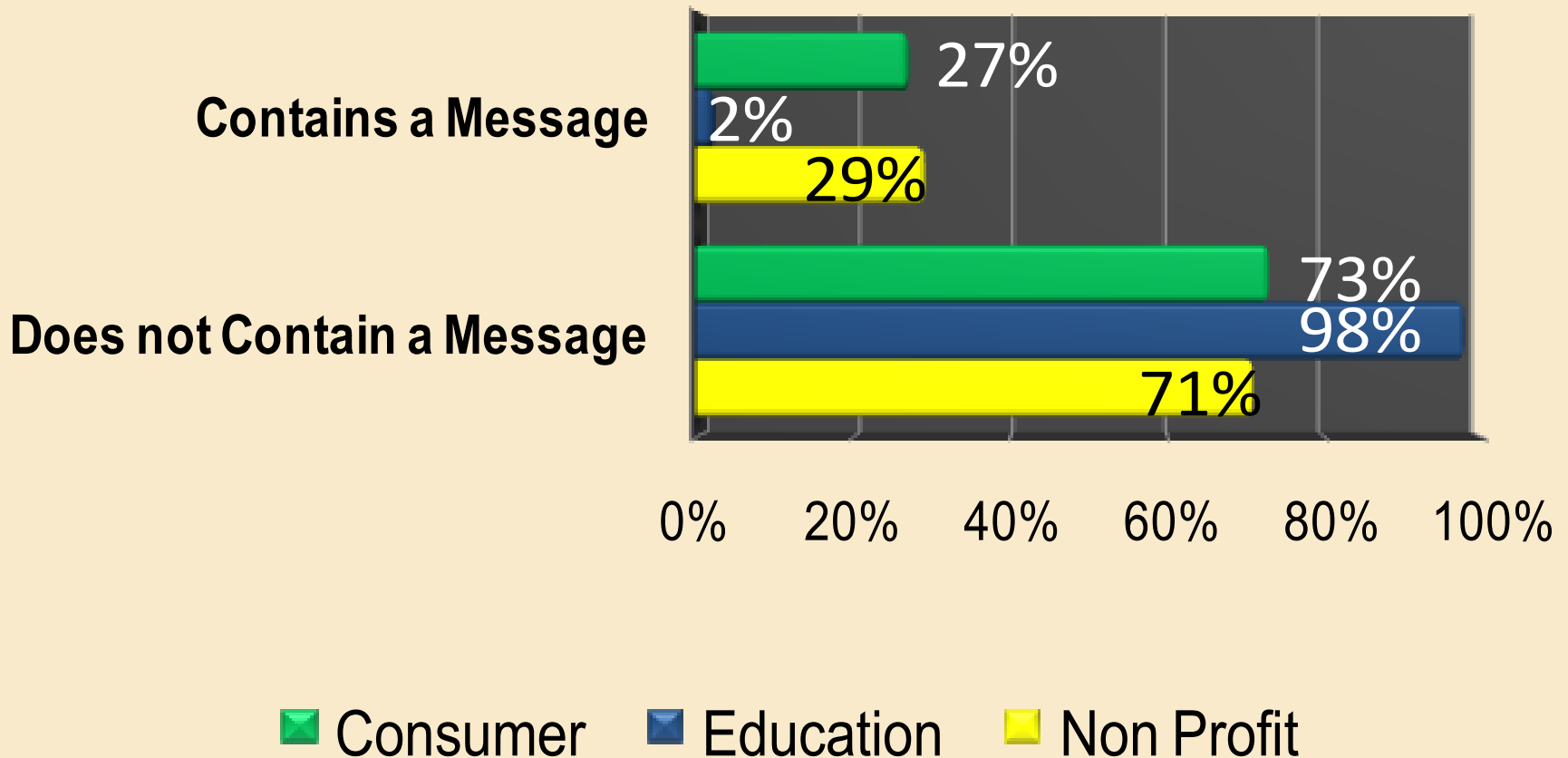
Over time



C-M lags in favorable positioning



Key Message penetration by segment



Step 4: Define your Key Performance Indicators (KPIs)



You become what you measure, so pick your KPI carefully



You decide what's important



Benchmark against peers and/or competitors



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



Typical KPIs



Outcomes/Behavior

- ☀️ % decline in churn
- ☀️ % increase in marketing efficiency
- ☀️ % increase in engagement
- ☀️ % increase in productivity



Outtakes/Perceptions

- ☀️ Do they recommend?
- ☀️ Do they believe?
- ☀️ Has the relationship changed?



Outcomes/Activities

- ☀️ Do they see it/read it/participate



Cost saving KPIs



Cost savings

- ☀️ % decrease in cost per click thru, downloads, engagement vs. other marketing channels
- ☀️ % decrease in cost per message communicated vs. other channels



% decrease in cost per customer acquisition



Shorten the sales cycle



Increased lifetime value of engagement



Reduced legal costs



Increased efficiencies

Typical 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

Why an Optimal Content Score?



You decide what's important:



Benchmark against peers and/or competitors



Track activities against OCS over time



Positive:



Mentions of the brand



Key messages



Positioning



Visibility



Negative



Omitted



Negative tone



No key message

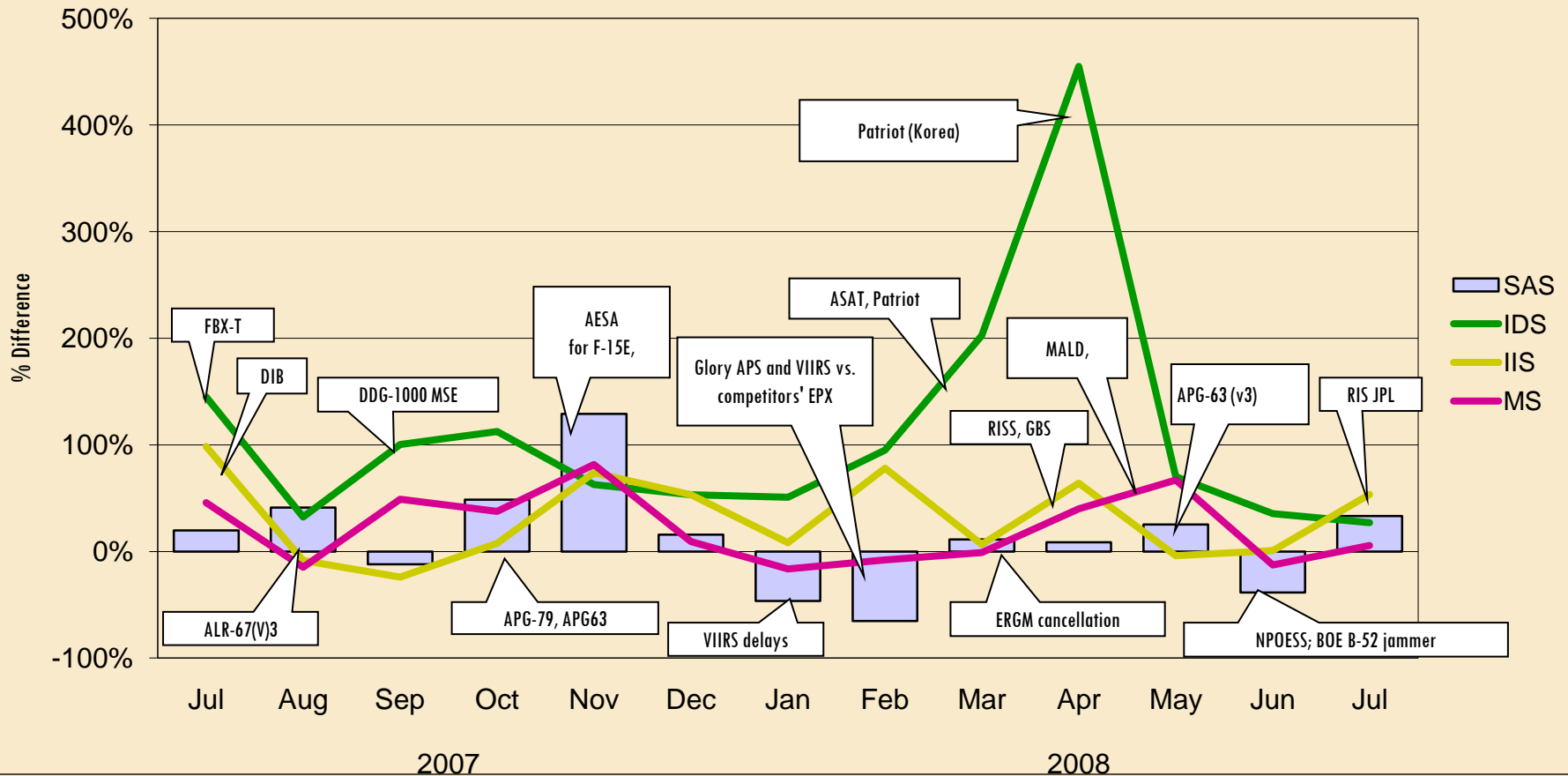
How to calculate your KBI

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

Charting KBI over time between divisions

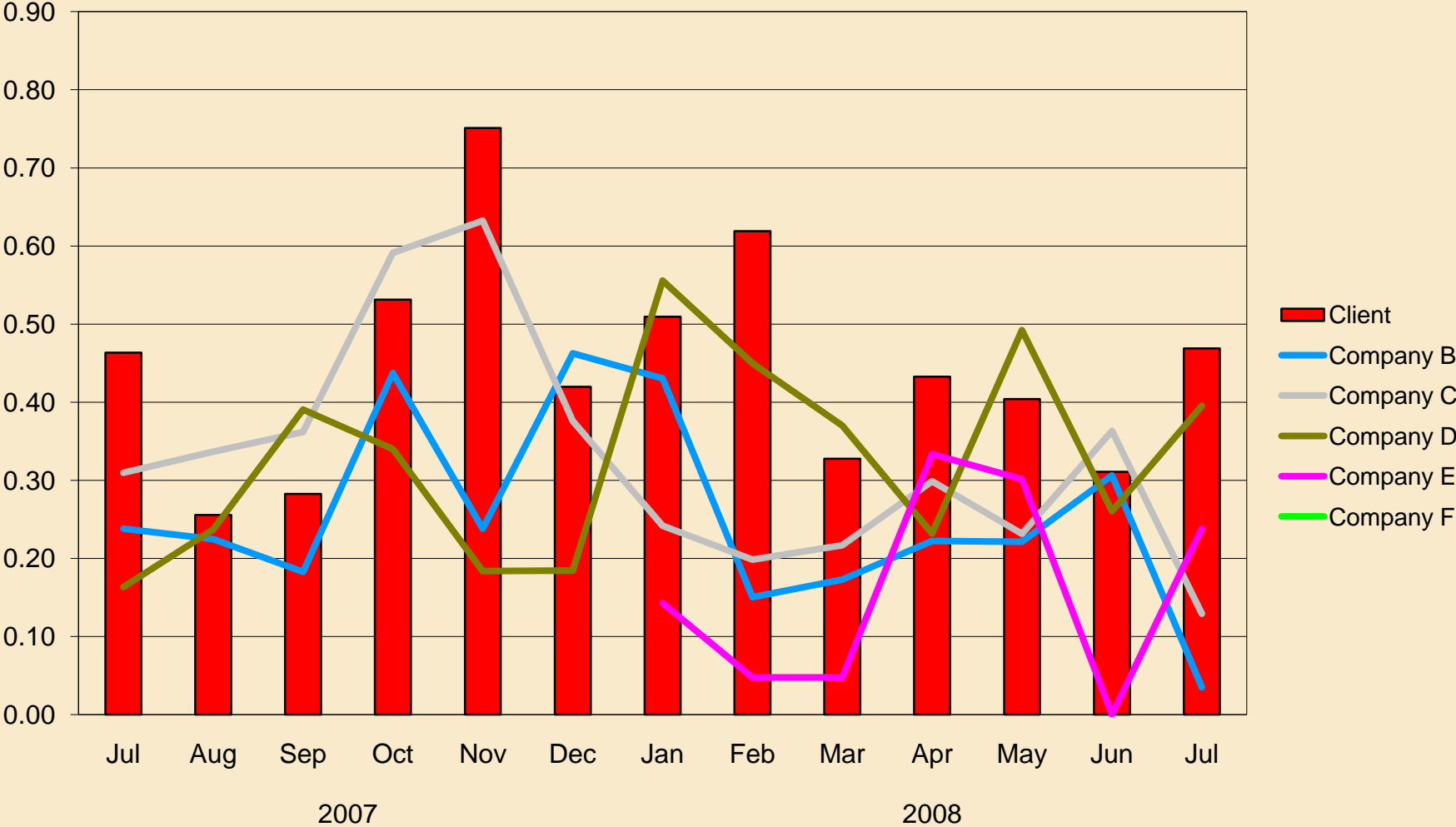
Kick Butt Score Relative to other LOBs

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



Step 5: 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 5: Pick a measurement tool

 **Content analysis: Do they sound engaged?**

☀️ **Listening tools for places you can't control**

☀️ **Evaluation tools for places you can control.**

 **Survey research: Are they aware? Do they feel engaged?**

 **Web analytics: Do they act?**



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



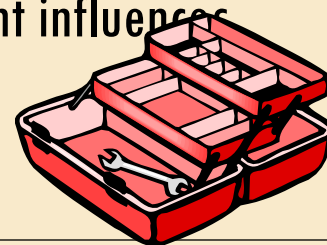
Content sources:

- 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

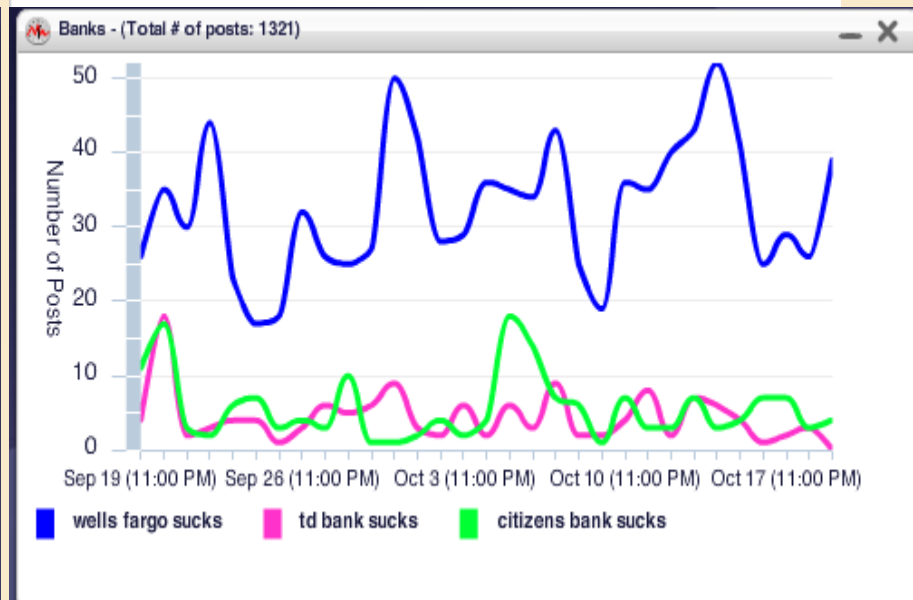
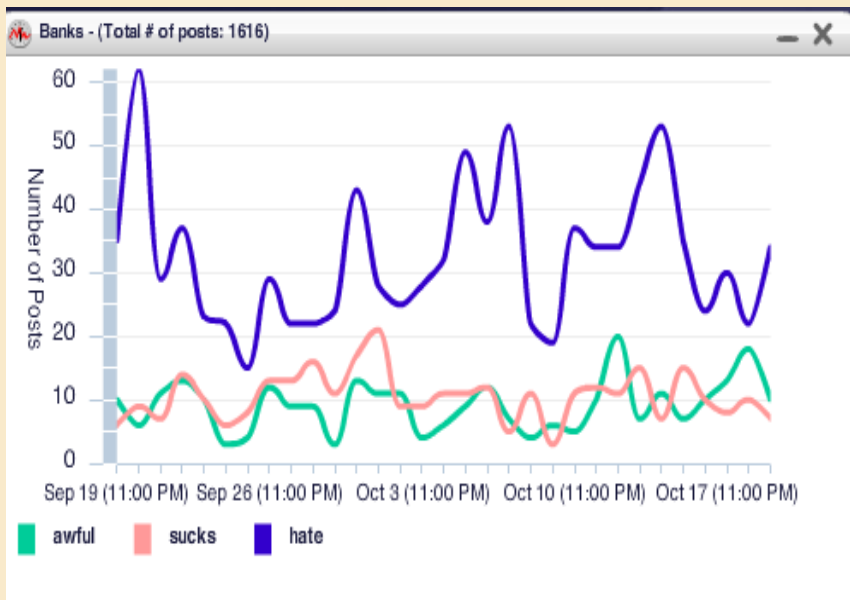
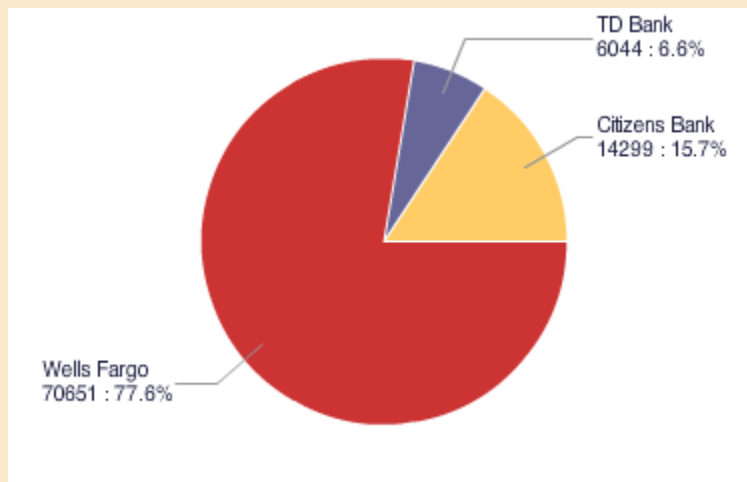


A way to analyze that content

- 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



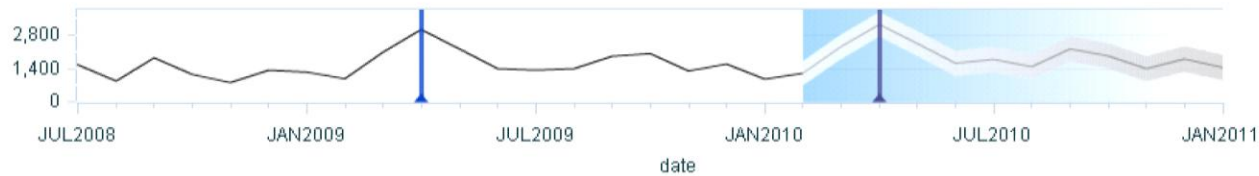
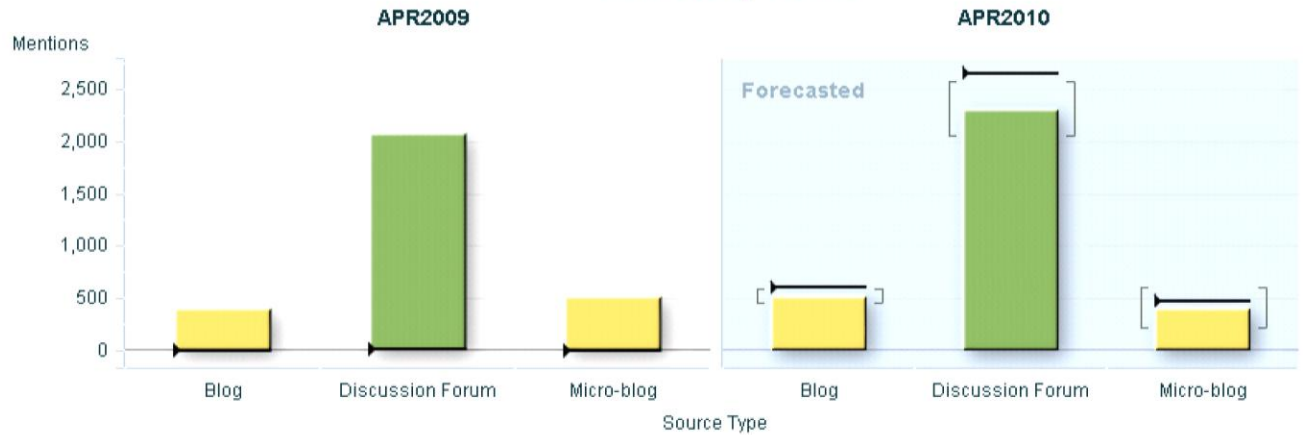
Simple text analytics



Mentions by Source



Mentions by Source



Dashboard: Forecast

Measurement of places you control

Location



Your own blogs



Your own Facebook pages



Your own Tweets



Your own YouTube Channel

Metric



Ratio of comments to posts



Length of threads, % of favorites



Retweets



Rating/Comments

Tool #2: Relationship Measurement



Surveys



Relationship surveys



Net Promoter



Listening tools

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)

Tools to measure if they act



Coupons



Google Analytics



Omniure



Web Trends



Yowza



A word about influence tools



Measure what matters



There is no “bible”



Influence \neq Reach, GRP, or any other magic bullet



All influence is relative



A computer cannot tell you who matters most

Step 6: 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

Actionable Conclusions



Ask for money

Get **C**ommitment

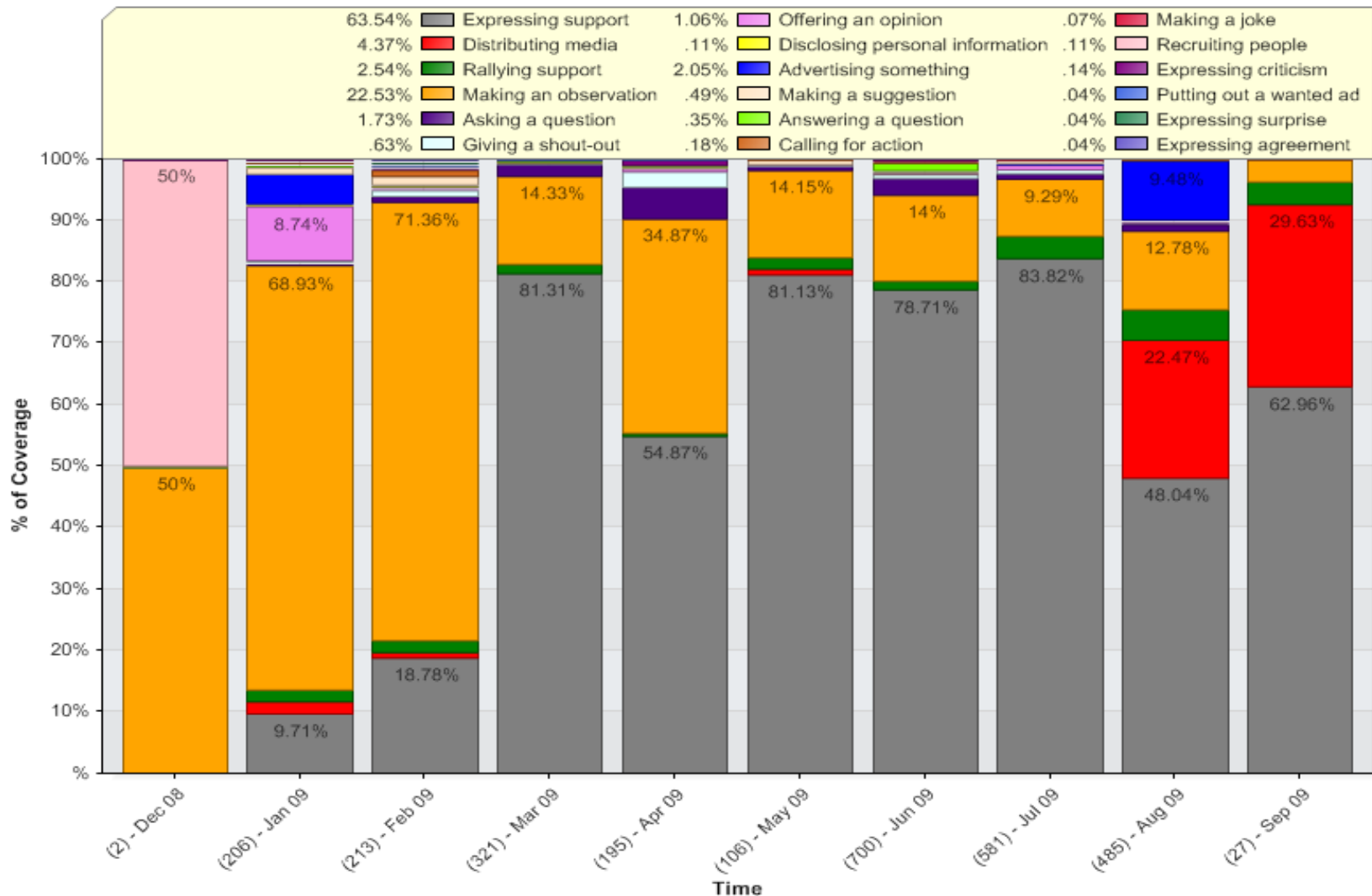
Manage **T**iming

Influence decisions

Get **O**utside help

Just Say **N**o

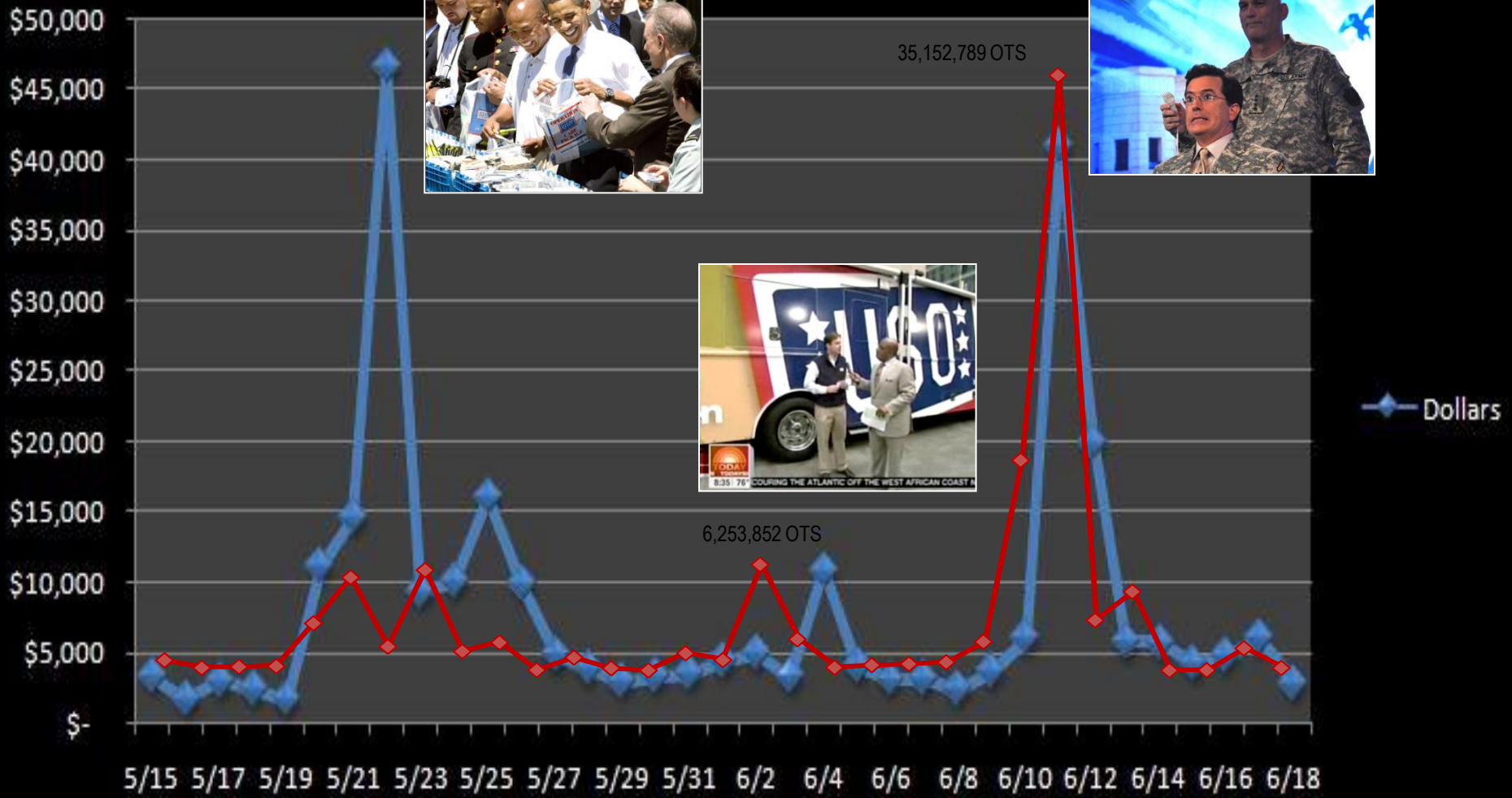
Moving conversation from observation to support



Media Engagement & Online Giving

Online Revenue

May 15th - June 18th in \$USD



Thank You!



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

www.themeasurementstandard.com



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