

It's the 21st Century, Are we engaged yet? — how to set up a PR measurement program in a social media age

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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

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



Only one in every xxx emails is actually opened by a human being and acted upon.



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.

All About the Junk Mail

A LOOK AT THE NUMBERS:
JUNK MAIL IN THE U.S. ACCOUNTS FOR OVER
100,000,000,000
PIECES OF MAIL EACH YEAR.
(ABOUT 50% OF MATTER PAID DELIVERED IN THE WORLD.)
THE RESPONSE RATE IS LESS THAN 2%

ACCORDING TO THE USPS:
DIRECT MAIL VOLUME OVER THE YEARS HAS SNOWBALLED.

Year	Volume (Billion Pieces of Mail)
1980	30
1990	55
2000	80

IS IT SUCCESSFUL?
APPROXIMATELY
44 PERCENT
OF JUNK MAIL GOES TO LANDFILLS UNOPENED.

HOUSEHOLDS ONLY AVERAGE
ONE PERSONAL CORRESPONDENCE EACH WEEK
COMPARED TO ALMOST 18 PIECES OF JUNK MAIL.

A RESPONSE RATE OF
< 0.25%
IS CONSIDERED ACCEPTABLE. FOR THE 500 MILLION U.S. CREDIT CARD SOLICITATIONS THAT ARE MAILED MONTHLY.

WHAT IS THE COST?
IT COSTS
\$550 MILLION YEARLY TO TRANSPORT JUNK MAIL.
& \$370 MILLION AMERICANS PAY ANNUALLY TO DISPOSE OF JUNK MAIL THAT DOESN'T GET RECYCLED.

100 MILLION TREES ARE CUT DOWN TO MAKE JUNK MAIL. THE EQUIVALENT OF CLEARCUTTING ALL OF ROCKY MOUNTAIN NATIONAL PARK EVERY 2 MONTHS.

AS WELL AS:
28,000,000,000 GALLONS OF WATER ARE WASTED TO PRODUCE AND RECYCLE JUNK MAIL EACH YEAR.

ON AVERAGE, AMERICANS SPEND
8 MONTHS DEALING WITH JUNK MAIL IN THE COURSE OF THEIR LIVES. (THAT'S 70 HOURS A YEAR)

THAT INCLUDES:
848 PIECES OF JUNK MAIL PER YEAR...
...USING 6.5 MILLION TONS OF PAPER.

THERE ARE
51,548,000 METRIC TONS OF GREENHOUSE GASES CREATED EACH YEAR BY JUNK MAIL. THAT IS THE EQUIVALENT OF ANNUAL EMISSIONS FROM 13.7 MILLION VEHICLES.

AND BY 2010
ALMOST 50 PERCENT OF THE SOLID MASS THAT MAKES UP OUR LANDFILLS IS EXPECTED TO BE PAPER AND PAPERBOARD WASTE.

44 That's what mail is. Without bills, magazines and junk mail, there is no mail. 99
- JERRY SEINFELD

SOURCES: DONOTMAIL.ORG @ GLOBALJUNKMAILCRISIS.ORG

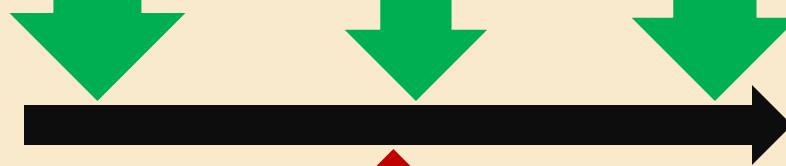
10 Signs that it's the end of the world as we know it



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. By using social media to identify confusion & then using social media to leverage it, an insurance company increased the number of requests for quotes by 90%

Social Media Disrupts the Marketplace

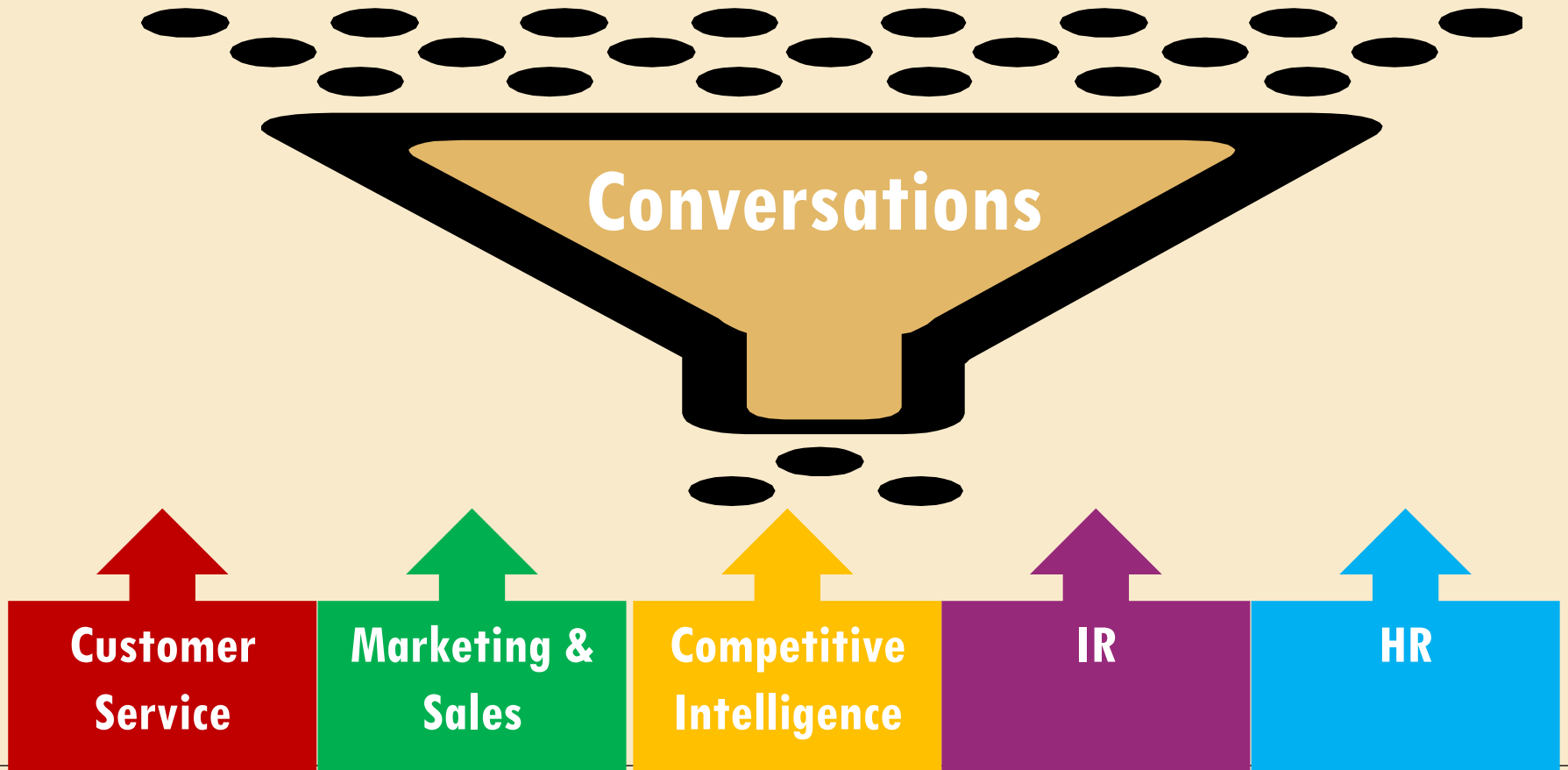
Internal Comms CRM Mktg/Ads/POS
/DM



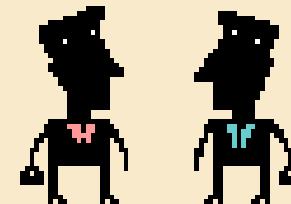
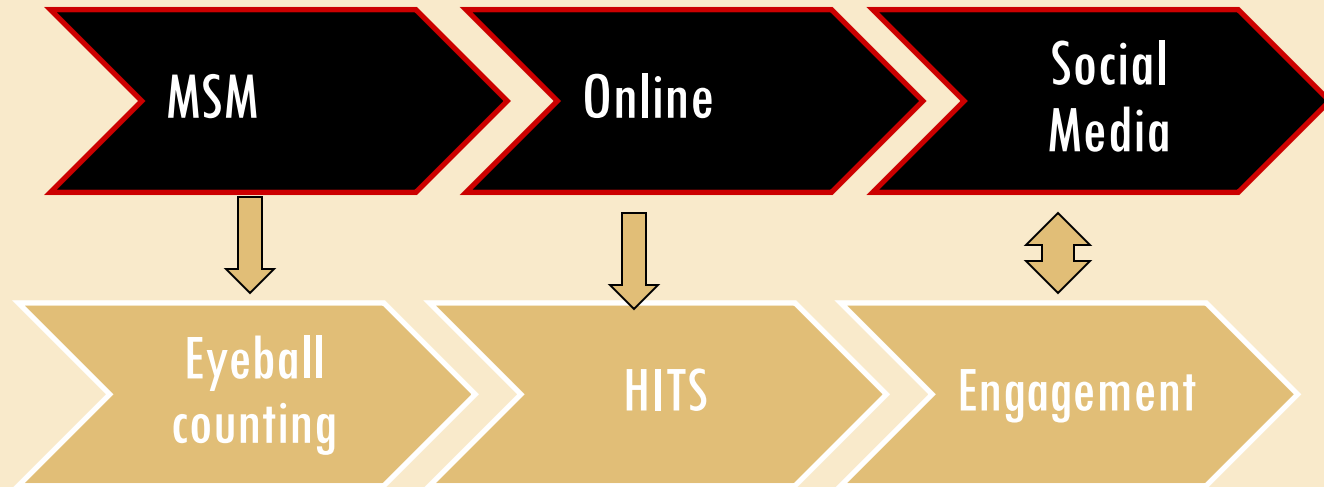
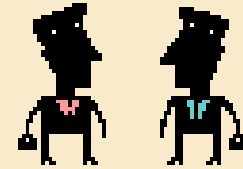
Disgruntled former employees
Customer complaints
Activist boycotts
Competitors agenda
Negative experiences

It's not just about marketing anymore

- Consumers are more open than ever to engaging with companies via new media (86% vs. 78% in 2009) but only engage with an average of 4.6 companies.
- 58% will stop if the company over-communicates with them



A measurement timeline



The New Engagement Decision Tree

Awareness

Consideration

Preference

Trial

Purchase

Find

Observe/
Lurk

Participate

Engage-ment

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



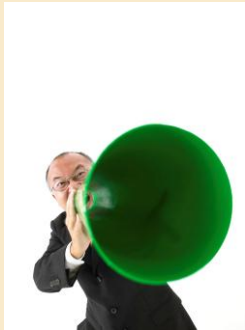
GRPs & Impressions are impossible to count (an irrelevant) in social media



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

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

 Lower recruitment costs compared to adv.

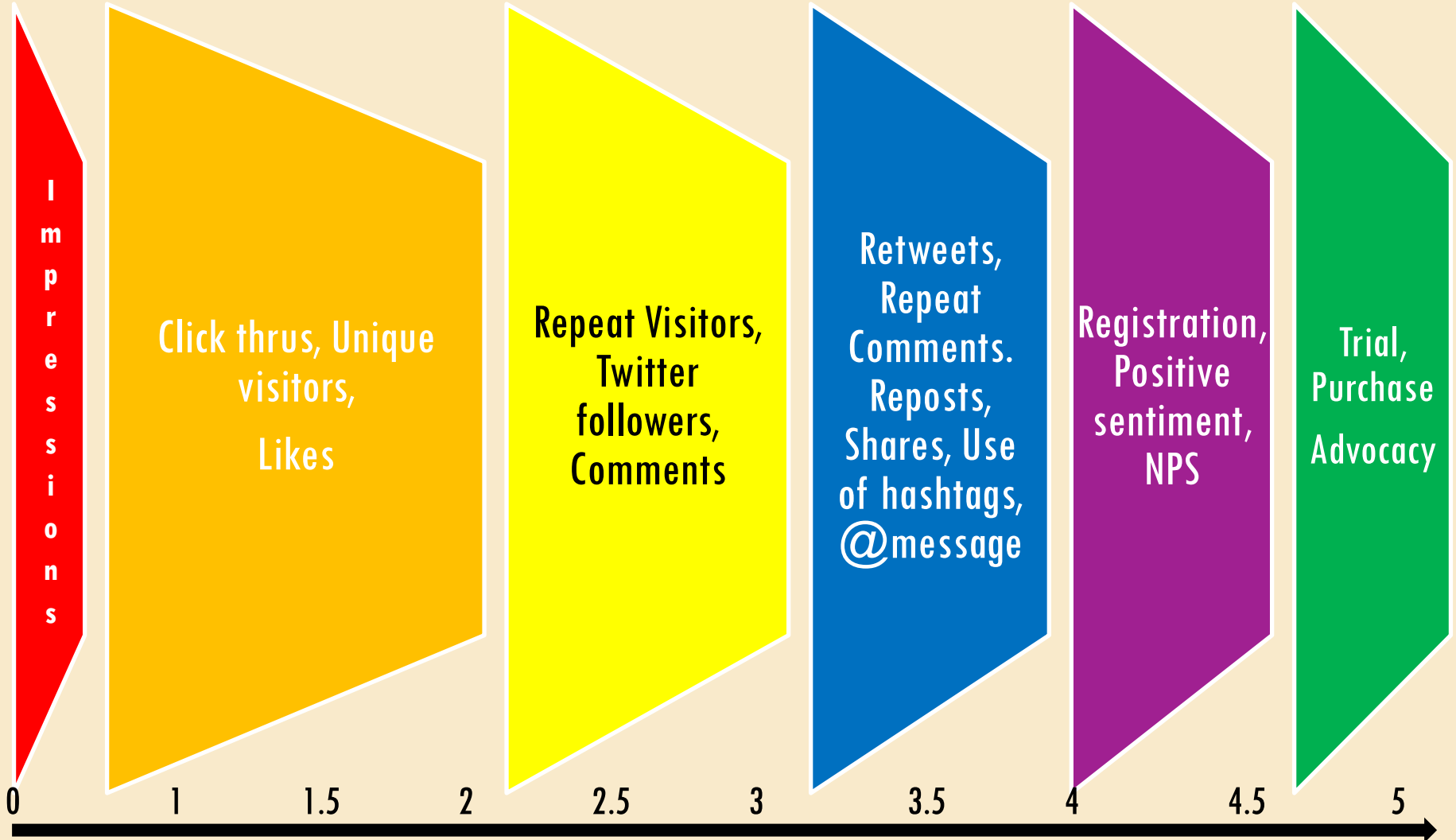
 Higher retention rate

 Higher productivity

 Greater efficiency

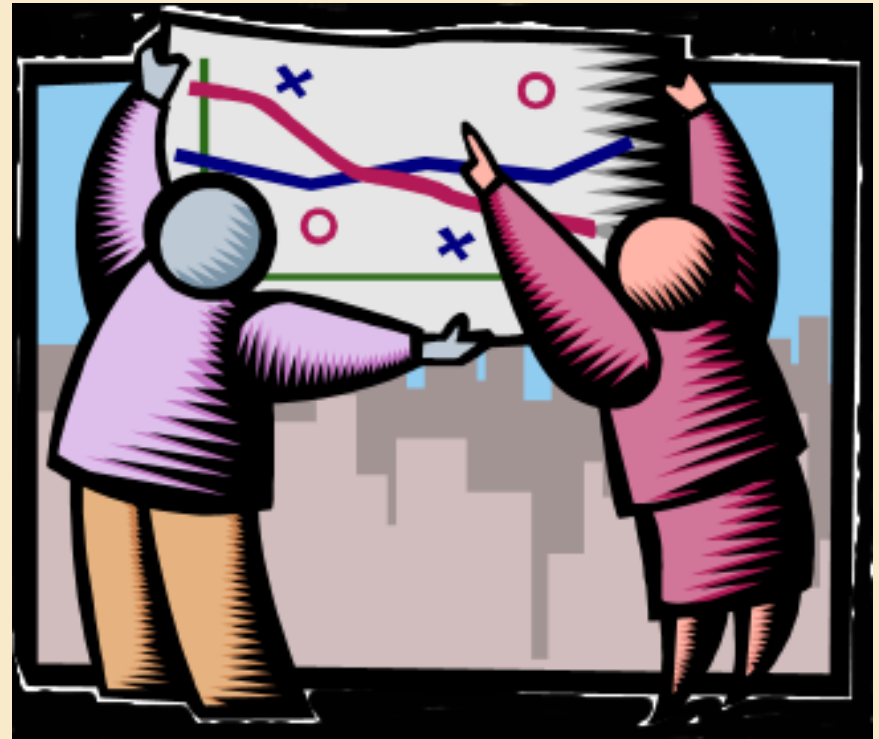


The Phases of Engagement

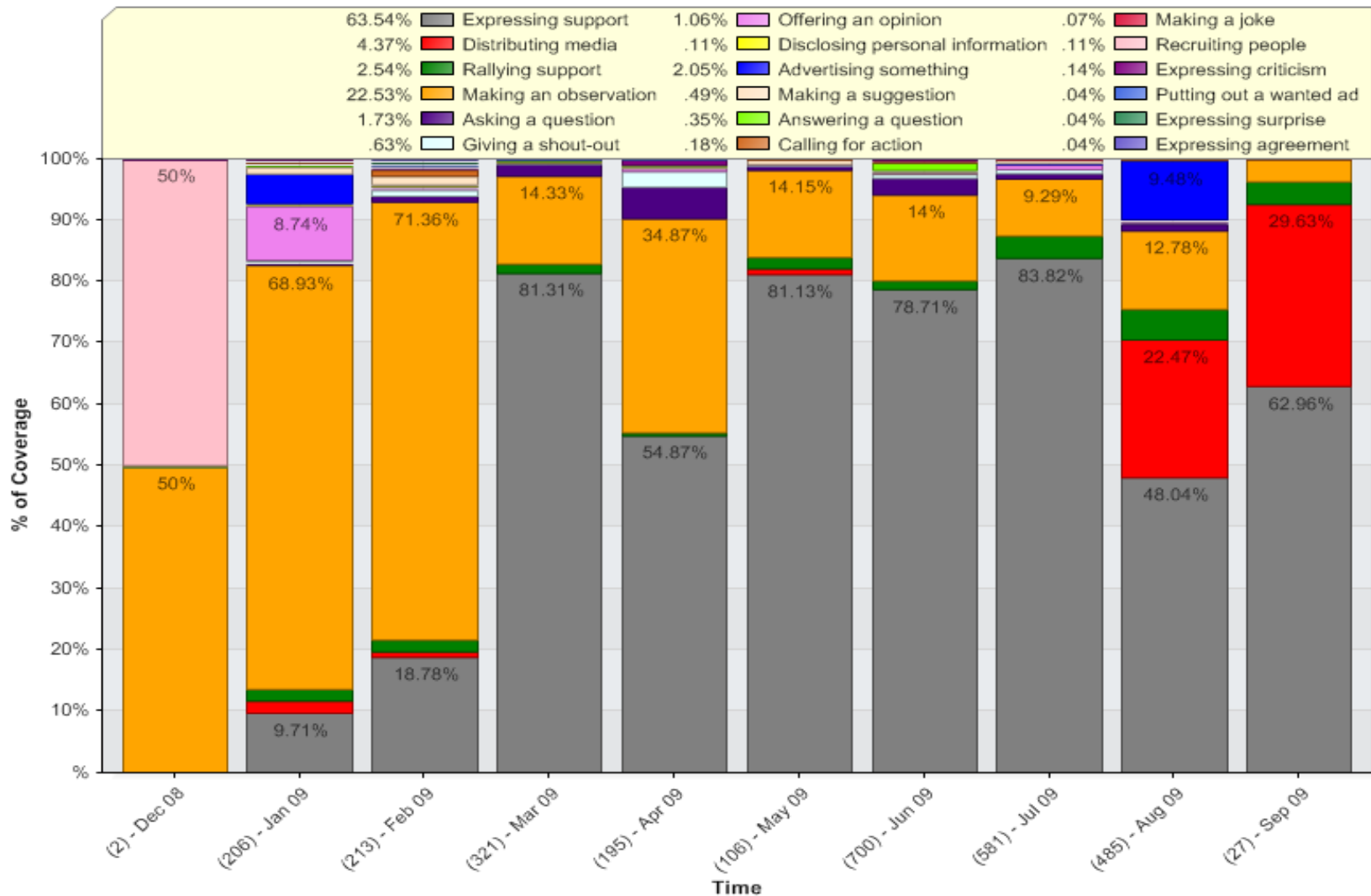


7 Steps to the perfect measurement system

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



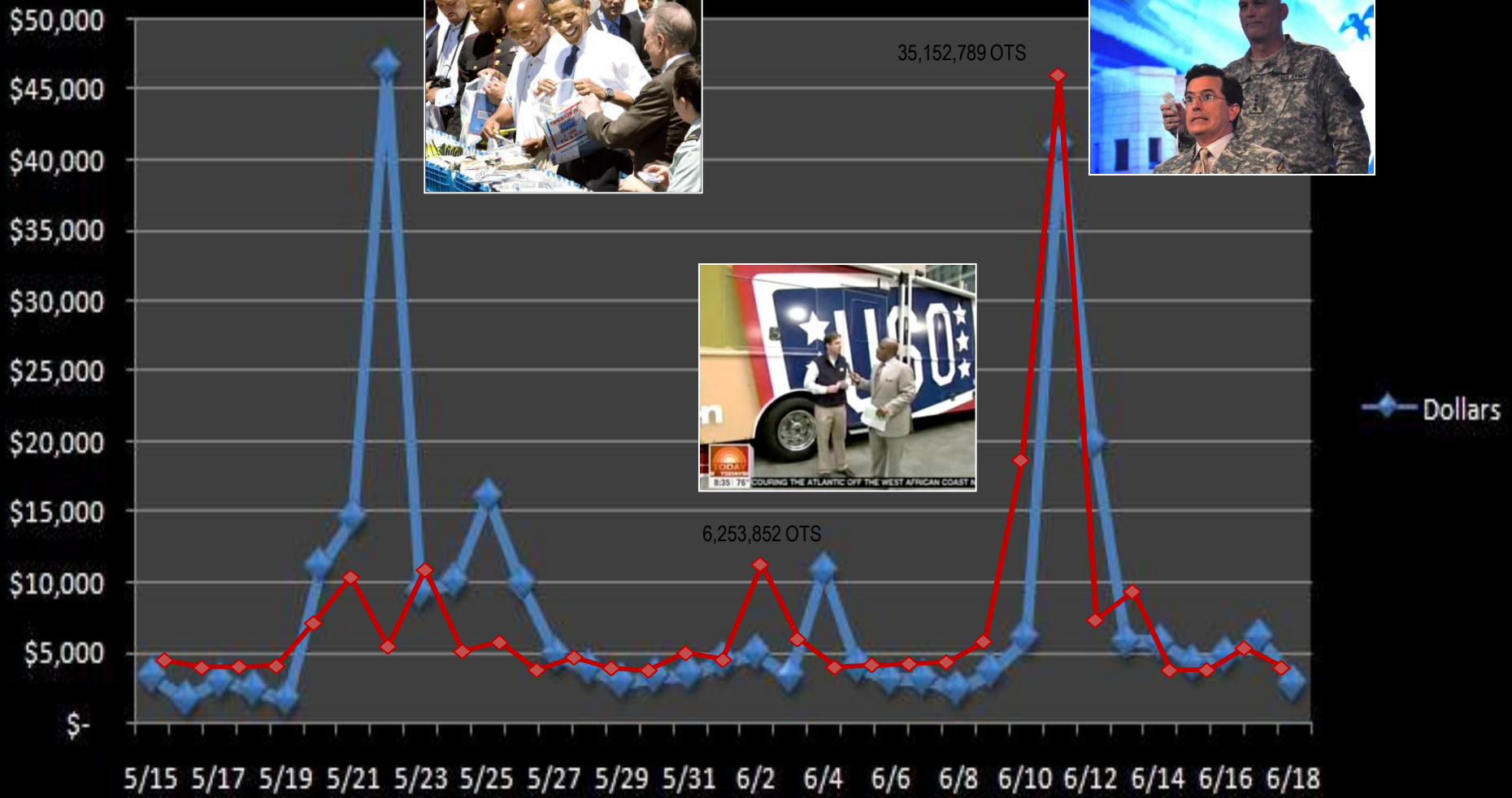
Moving conversation from observation to support



Media Engagement & Online Giving

Online Revenue

May 15th - June 18th in \$USD



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



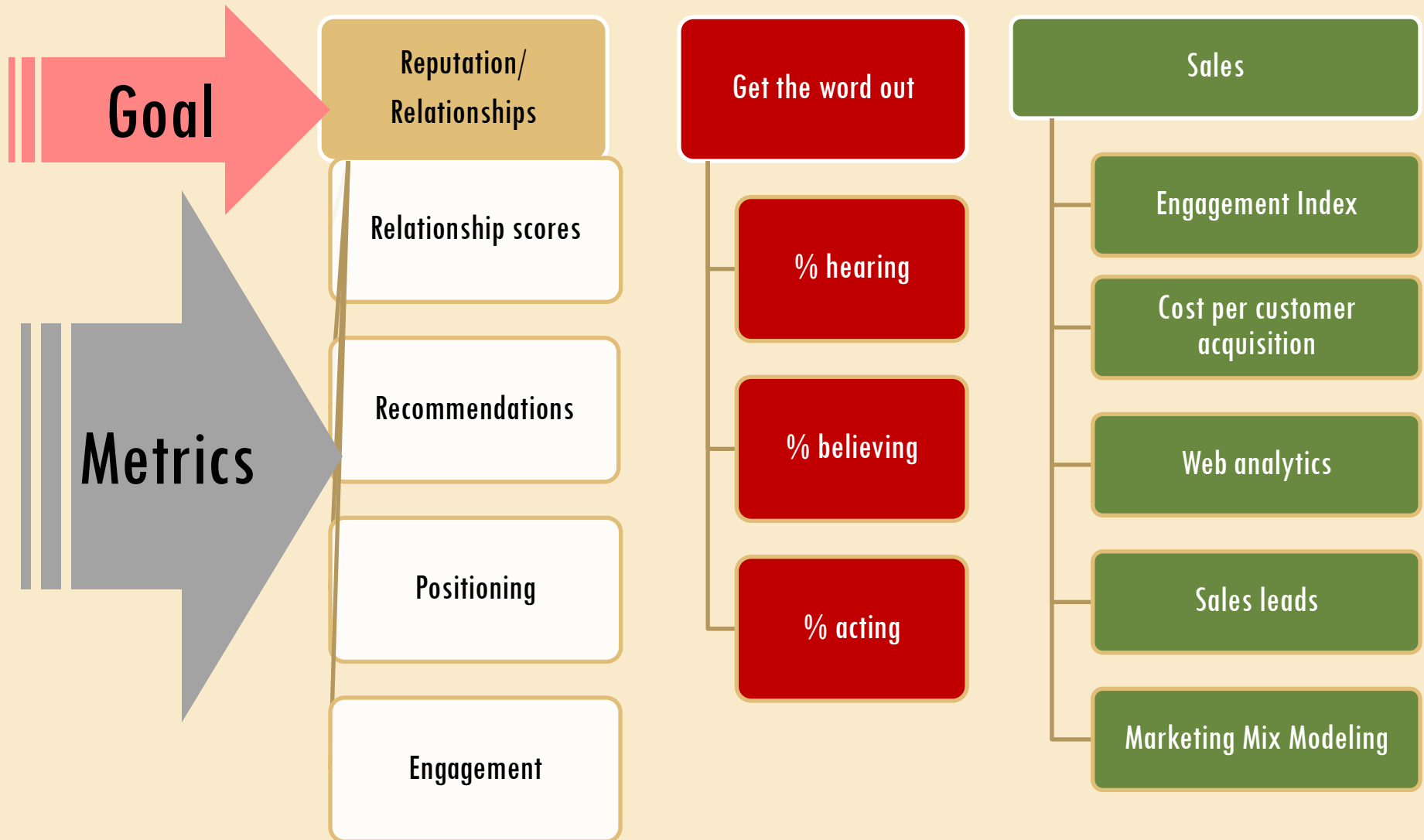
To fix this



Or get to this



Goals drive metrics, metrics drive results



Step 2: Define the “I”



What is the investment?



Personnel



Agency compensation



Senior Staff time



Opportunity cost

Step 3: 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 4: Establish benchmarks



A peer group



Control groups vs other departments



Over time



Step 5: Define your KPIs (or KBI)

Metrics

Exposure
Friends
Followers

+

Engagement

+

\$\$\$
raised



Start



Goal



Step 5: Establish your 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



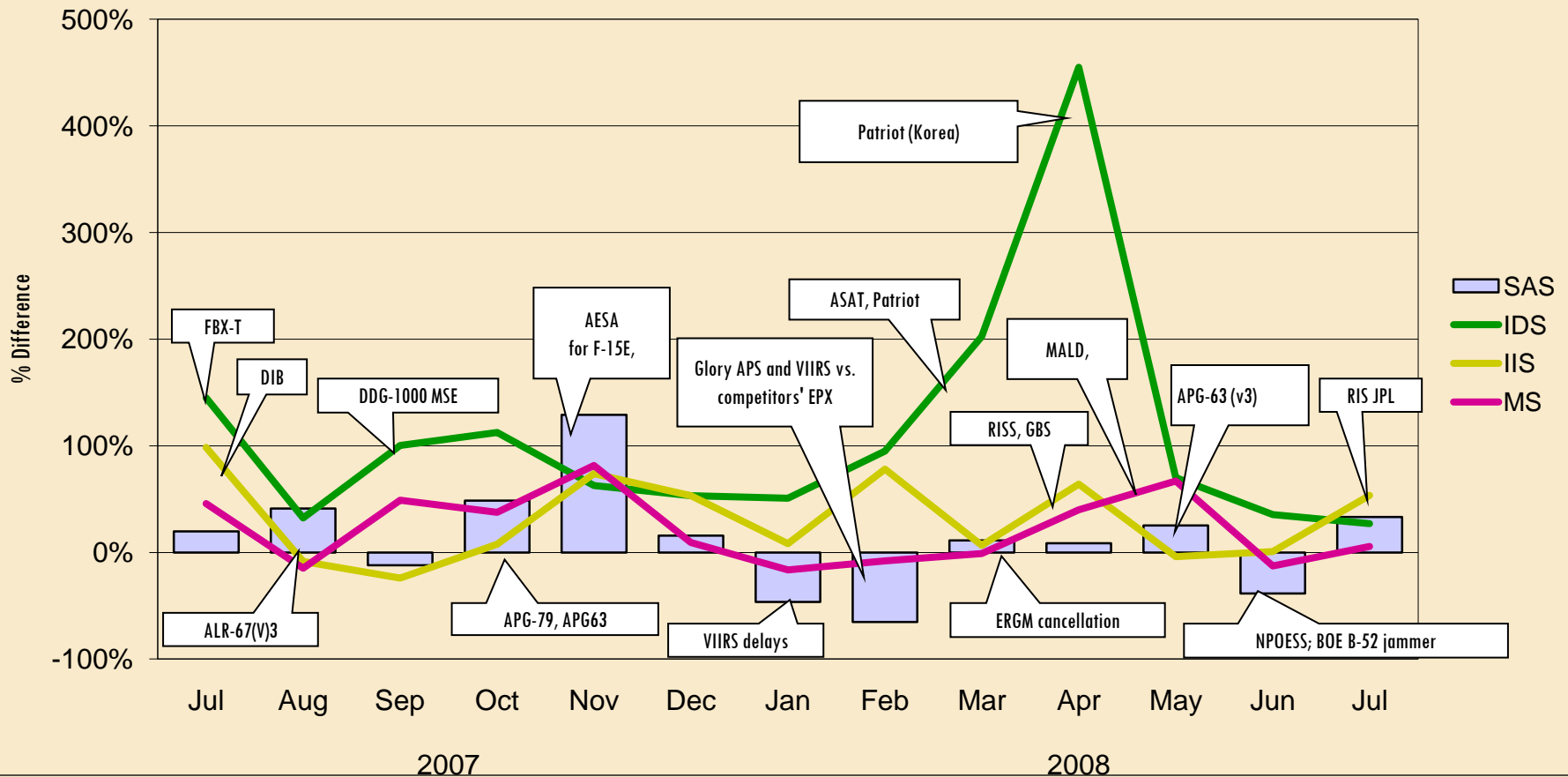
How to calculate your KBI

-10					
Quality score	+10			0	-10
		Score		Score	Score
Tonality	Positive	3	Neutral	0	Negative -3
					Positions the competition favorably or positions Sargento negatively -2
Positioning	Contains	2	Doesn't contain	0	Does not contain or miscommunicates key message (neg mess) -1
Messaging	Contains	3	partially contains	0	Does not contain -1
Quotes	Contains	1			Competition mentioned prominently -3
Competitive mention	Does not mention Competition	1			
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

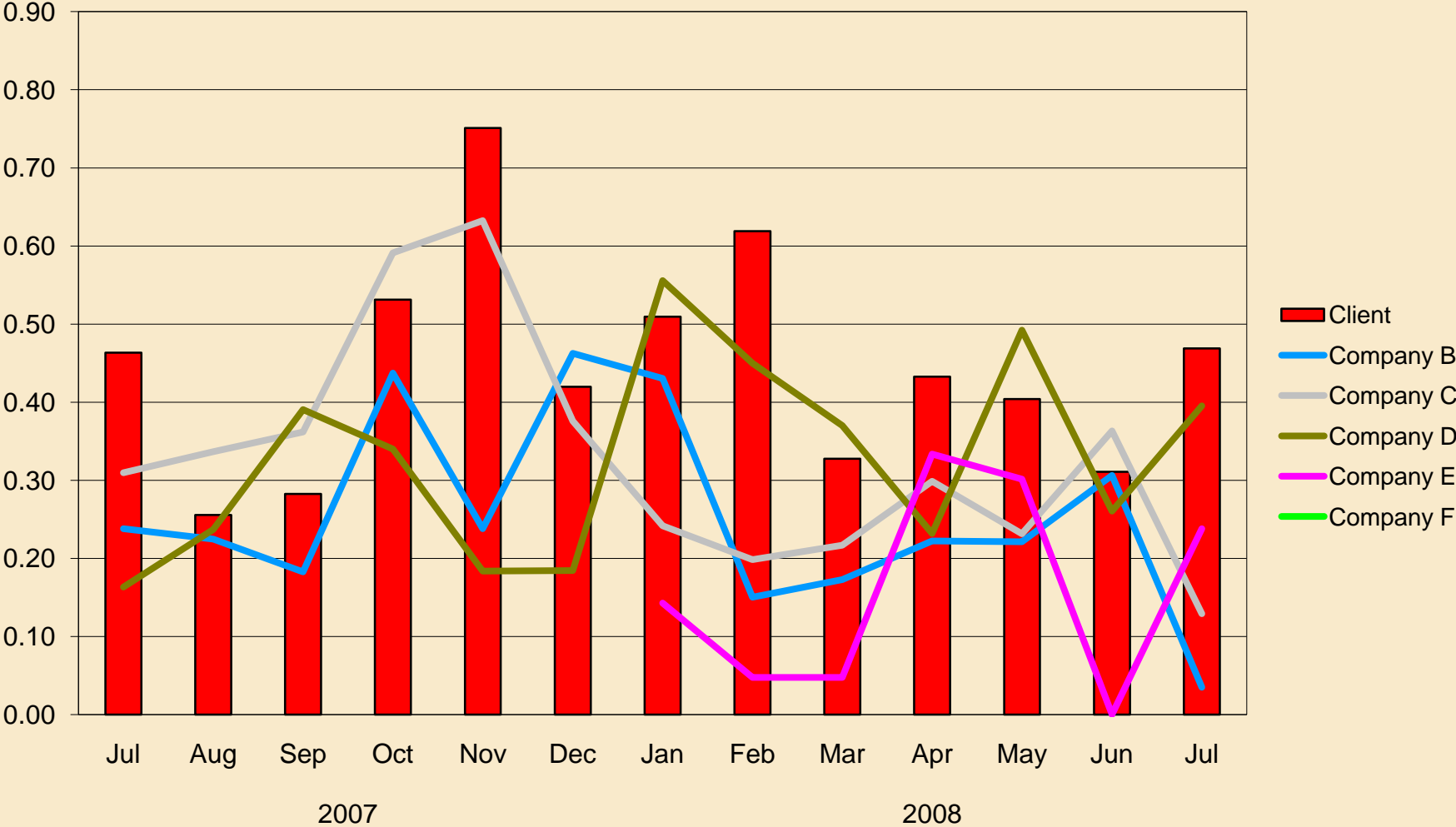
Kick Butt Score Relative to other LOBs

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



Key Performance Indicators (KPIs)



You become what you measure, so pick your KPI carefully



The Perfect KPI

- ✦ Defines the business value of what you do
- ✦ 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



Step 5: Measures of success



Outcomes/Behavior

- ☀ % increase in productivity (\$/employee)
- ☀ % increase in job performance, eligibility for promotion



Productivity



Outtakes/Perceptions

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



Outcomes/Activities



- ☀ Do they see it/read it/participate





Step 5: You become what you measure

 **Cost savings**





 **Efficiency**

-  Cost per message communicated
-  Cost per new lead/customer acquired


 **Productivity:**

-  Increase in employee engagement/morale
-  Lower turnover/recruitment costs



 **Engagement:**

-  Ratio of posts to comments
-  % of repeat visitors
-  % of 5+ min visitors
-  % of registrations




 **Trust:**

-  Improvement in relationship /reputation scores with customers and communities (Loyalty/Retention)

 **Thought leadership:**

-  Share of quotes
-  Share of opportunities

 **Message penetration**

-  Positioning on key issues
-  Improvement in favorable/unfavorable ratio
-  Improvement in Optimal Content Score (OCS)

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



Shorter the sales cycle



Increased lifetime value of engagement



Reduced legal costs



Increased efficiencies

Potential KPIs for thought leader visibility

- 🌟 % increase in share of quotes
- 🌟 % increase in share of papers at key conferences
- 🌟 % awareness among “influentials”
- 🌟 % increase in opportunities to see our message via speaking engagements

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 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



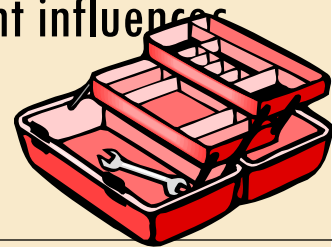
Content sources:

- 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

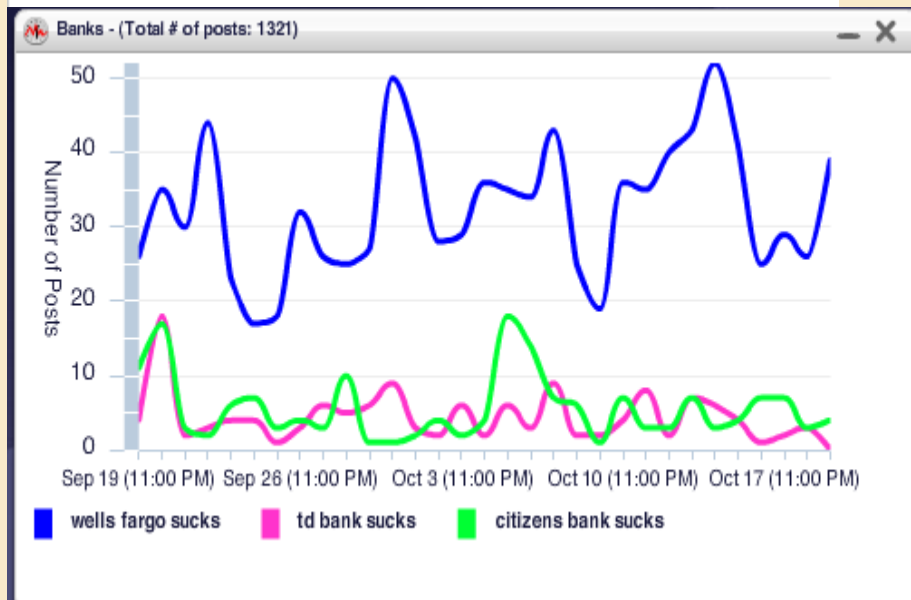
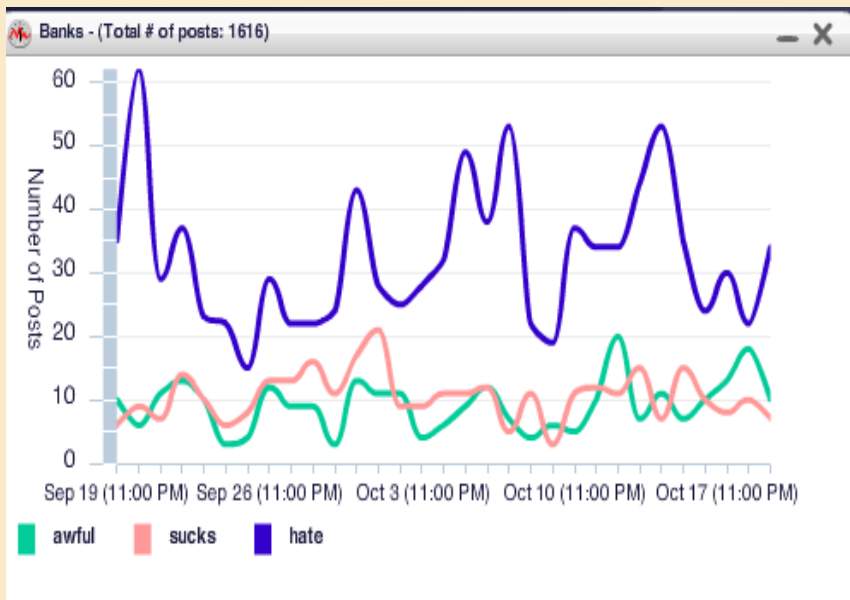
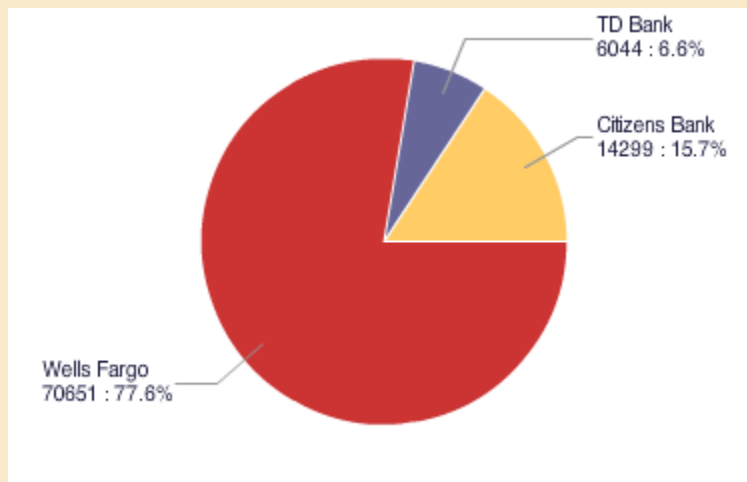


A way to analyze that content

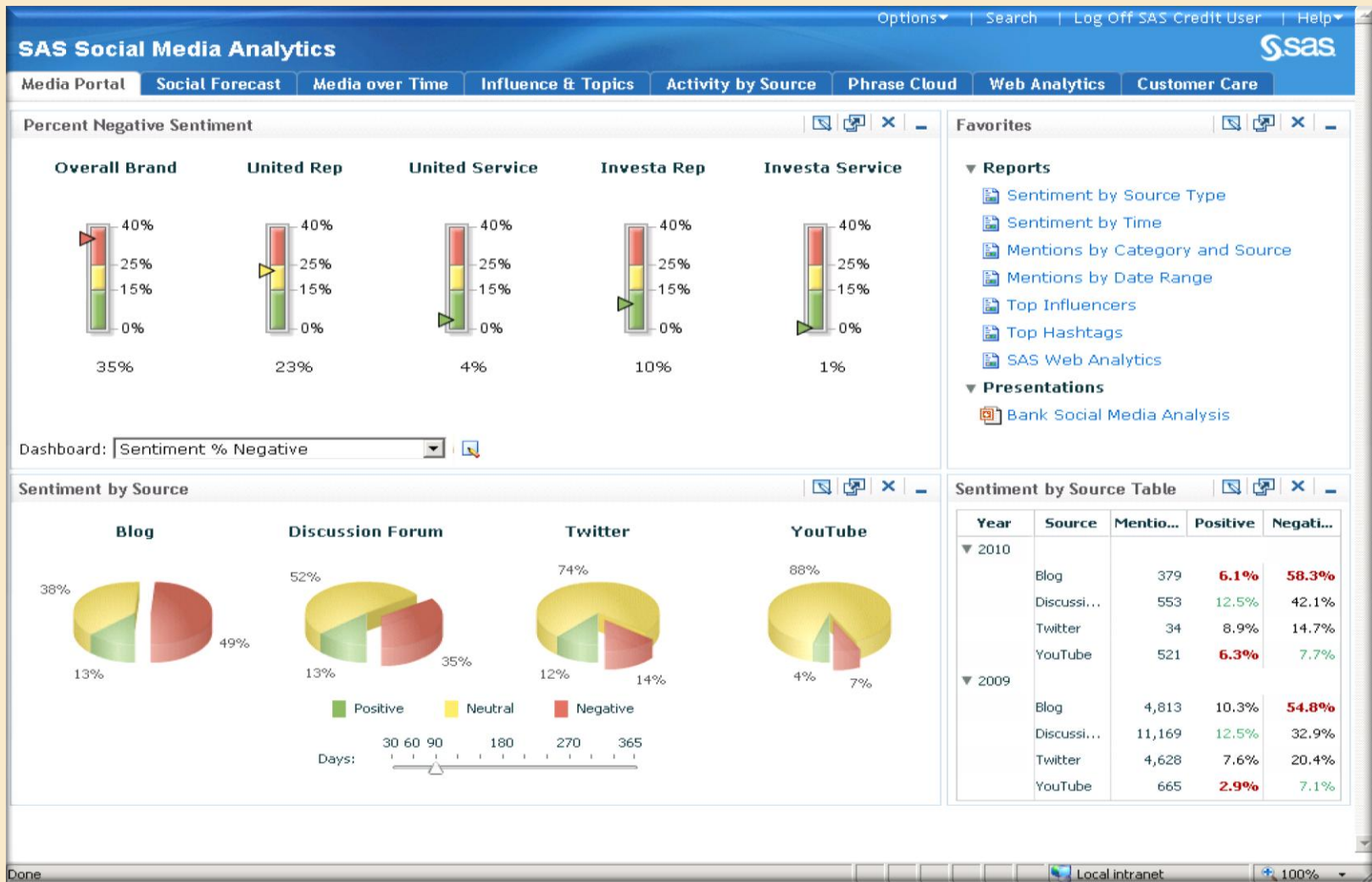
- SAS SMA, Cymfony, Humans
- Census vs. random sample
- Sentiment vs. Topics
- The 80/20 rule — Measure what matters because 20% of the content influences 80% of the decisions



Simple text analytics



High end social media metrics



SAS Social Media Analytics

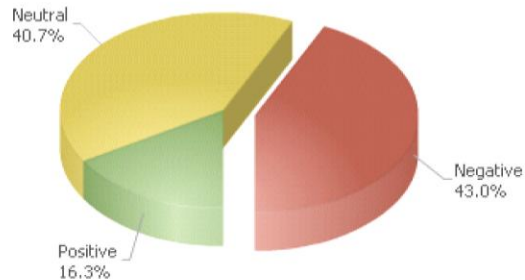


- Media Portal
- Social Forecast
- Media over Time
- Influence & Topics**
- Activity by Source
- Phrase Cloud
- Web Analytics
- Customer Care

Sentiment by Media Source

Source: ▼

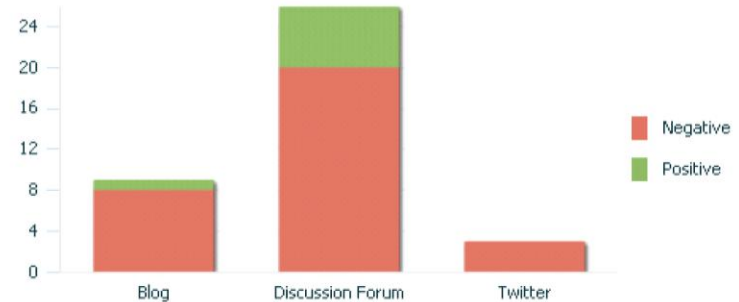
Days:



Detailed Sentiment by Business Unit

Business Unit: ▼

Days:



Top Twitter Influencers

- Professional**
- Consumer**

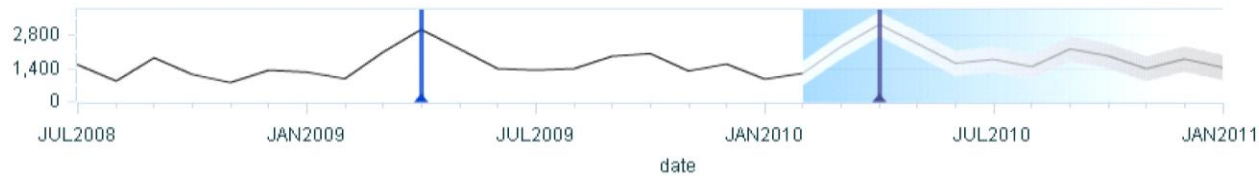
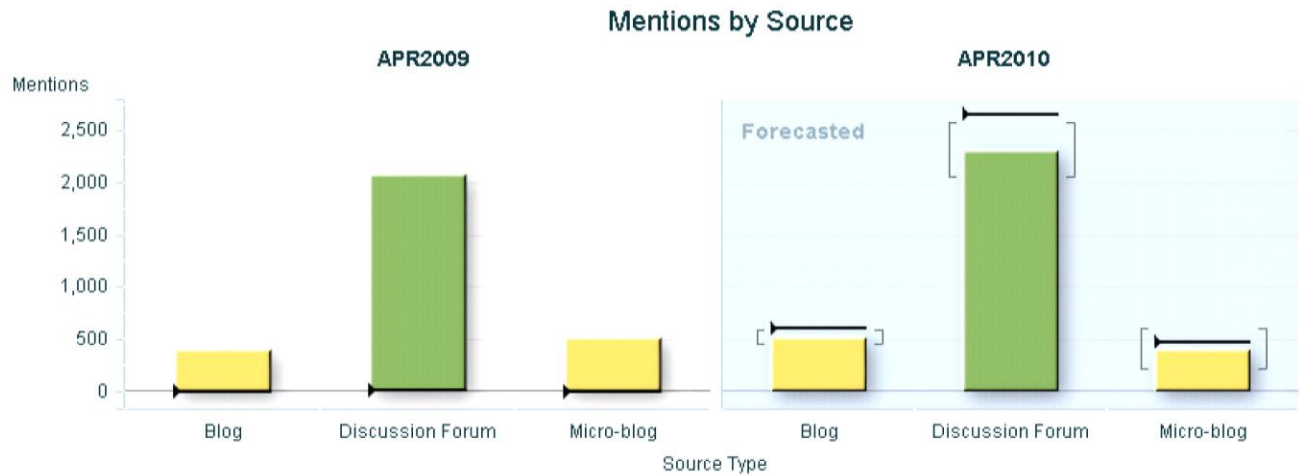
Author	Followers	Influence
New York Times	2,320,548	27,846,576
CNNMoney	211,438	2,537,256
Fox News	130,867	261,734
Wall Street Journal	129,601	2,332,818
New York Times Business	16,053	16,053
Reuters Business	12,253	122,530
MSNBC Business	12,168	12,168
Consumerist	7,538	37,690

Top Twitter Hashtag Topics

Hashtag	Frequency
jobs	154
news	105
bank	99
job	91
shjobs	77
global	72
mortgage	69
iphone	61
risk	60

Done

Mentions by Source



Dashboard: Forecast

Typcial 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

Measurement tool 1B: Measurement of places you can 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: Do they *feel* engaged?



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)

Other tools to measure if they act engaged



Coupons



Google Analytics



Omniure



Web Trends



Yowza



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



Look for failures first



Ask “So What” three times



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

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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