

**KDPaine & Partners**

# **Build Your Bottom Line with Data-Driven Public Relations**

A PRSA Workshop August 2010

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# Agenda

**9:00 Introductions**

**9:30 Basic Principles of Measurement**

**11:00 Rules & Tools**

**12:00 Lunch**

**1:00 Case Studies & Hands-on Measurement Workshop**

**4:00 Wrap up**

## Why Measure ROI?

**“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 ”**

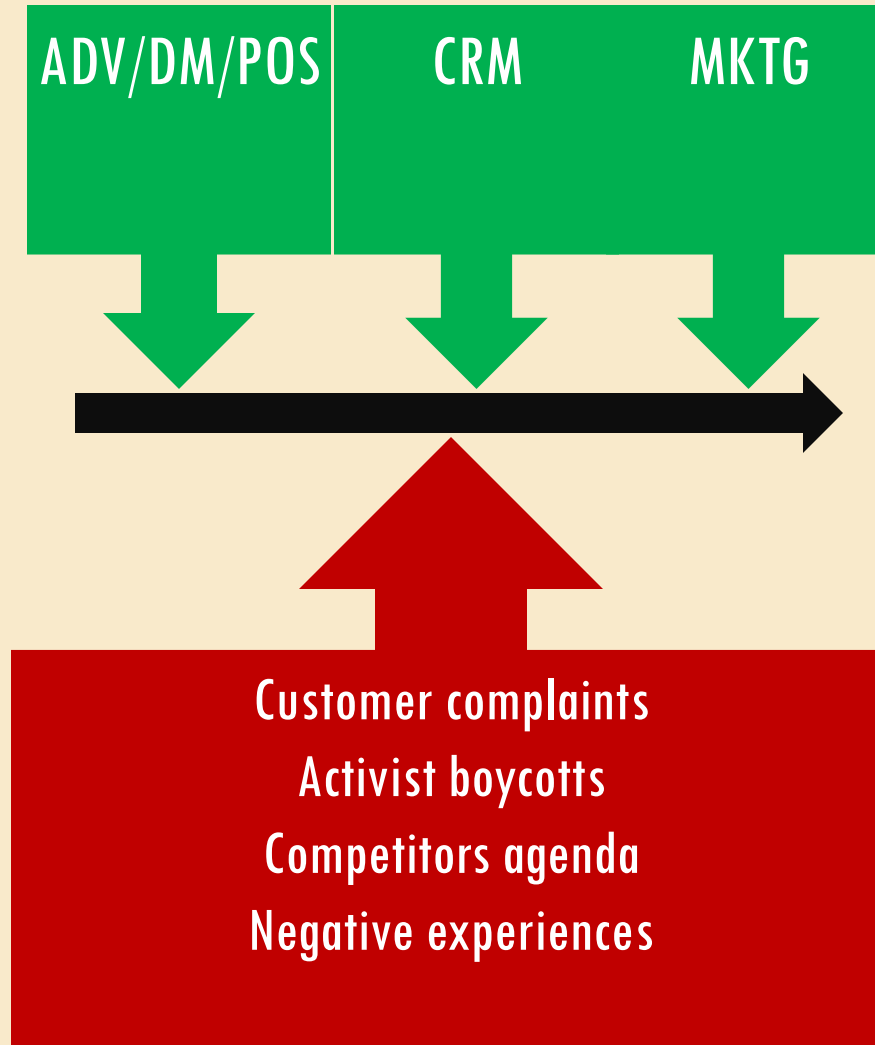
*James E. Grunig, Professor Emeritus, University of Maryland*

**“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.”**

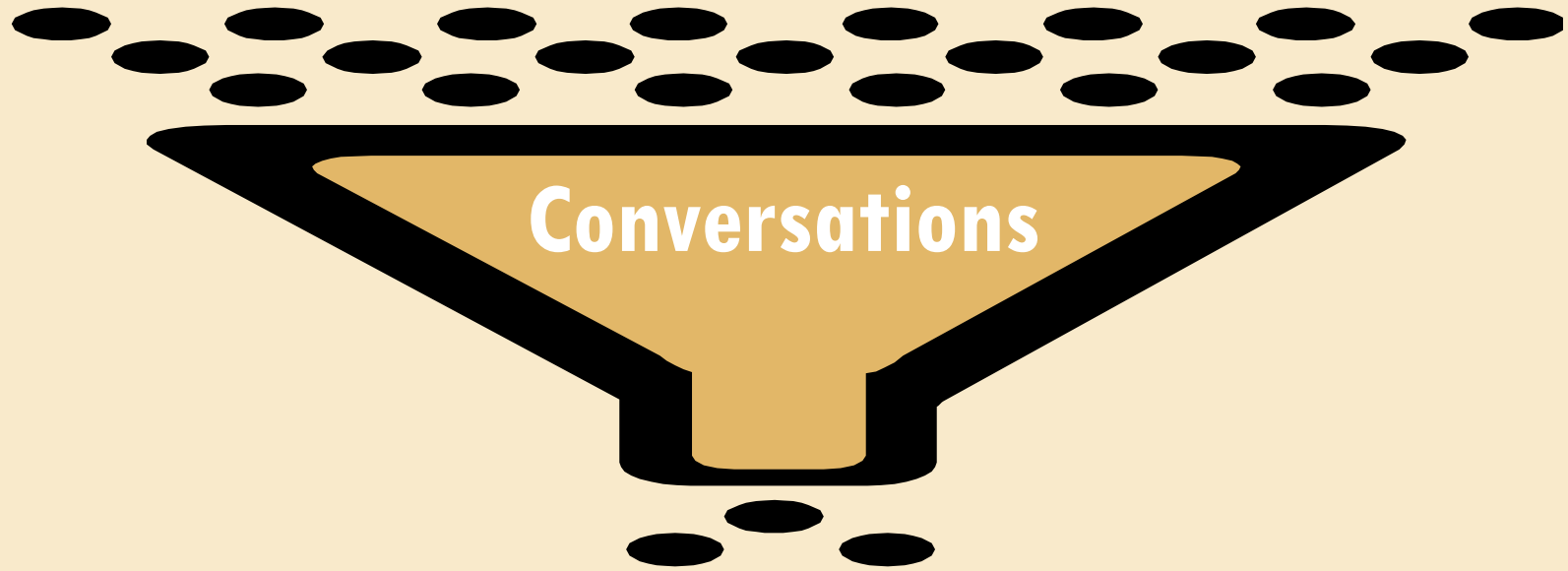
*Ralph Delahaye Paine, Publisher, Fortune Magazine ,*

*1960 speech to the Ad Club of St. Louis*

# Social Media Disrupts the Marketplace



# It's not just about marketing anymore



**Customer  
Service**

**Marketing &  
Sales**

**Competitive  
Intelligence**

**IR**

**HR**

# Marketing results have many definitions



**Exposure**

**Sales leads**

**Messages**

**Thought  
leadership**

**Brand  
Engagement**

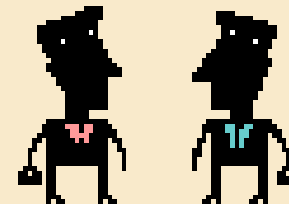
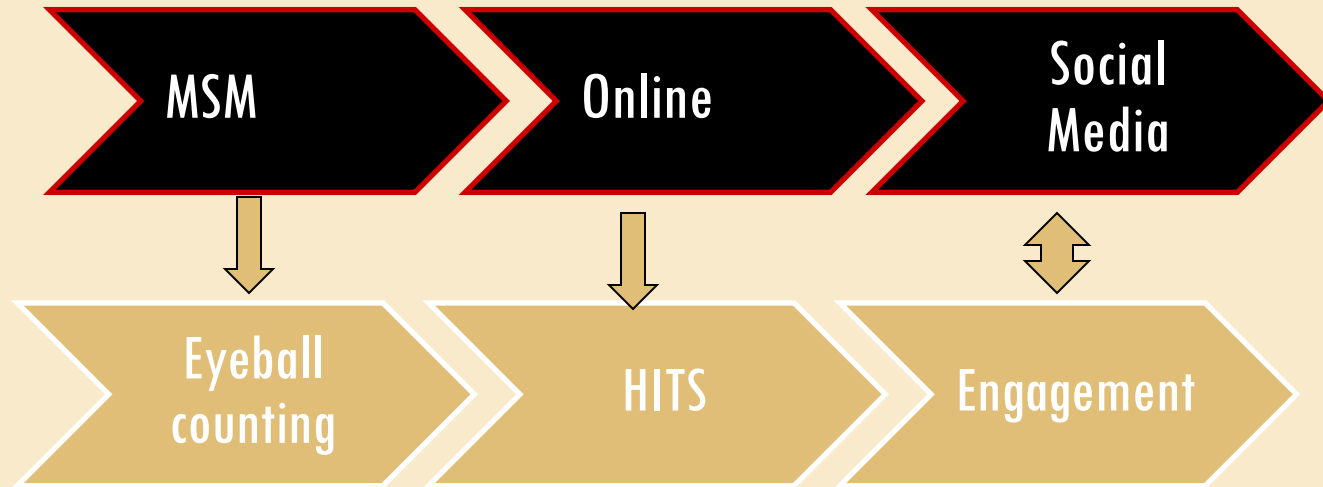
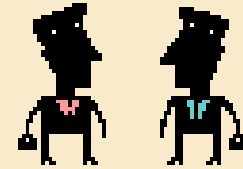
**Positioning**

# 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. Procter & Gamble is now paying for engagement, not eyeballs
3. Sodexo cut \$300K out of its recruitment budget using Twitter
4. BMC Software measures communications effectiveness based on contribution to EPS
5. HSUS generated \$650,000 in new donations from an on-line photo contest on Flickr
6. receives more leads, sales and exposure from a \$500 podcast than it does from an ad
7. 11 Mom's turned around Wal-Mart's image and delivered measureable increases in sales.
8. 1 person --Dave Carroll (United Breaks Guitars) cost United \$180M—the cost of more than 51,000 replacement guitars.
9. Army video game is measurable more successful in recruiting than ads
10. SAP made \$1 million from its small business community

# A measurement timeline



# The 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



## Old School Communications



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



## 21<sup>st</sup> 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**

# What ROI isn't:



# ROI is an equation



Revenue minus cost = ROI



Revenue = \$\$ in or \$\$ not spent

## HSUS

- Flickr Revenue: \$650,000
- Contest Cost \$1000
- ROI = \$649,000

## Sodexo

- Twitter costs: \$30,000
- Cost savings: \$300,000
- Net savings (ROI): \$270,000

# Measurable Goals for Marketing Today

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



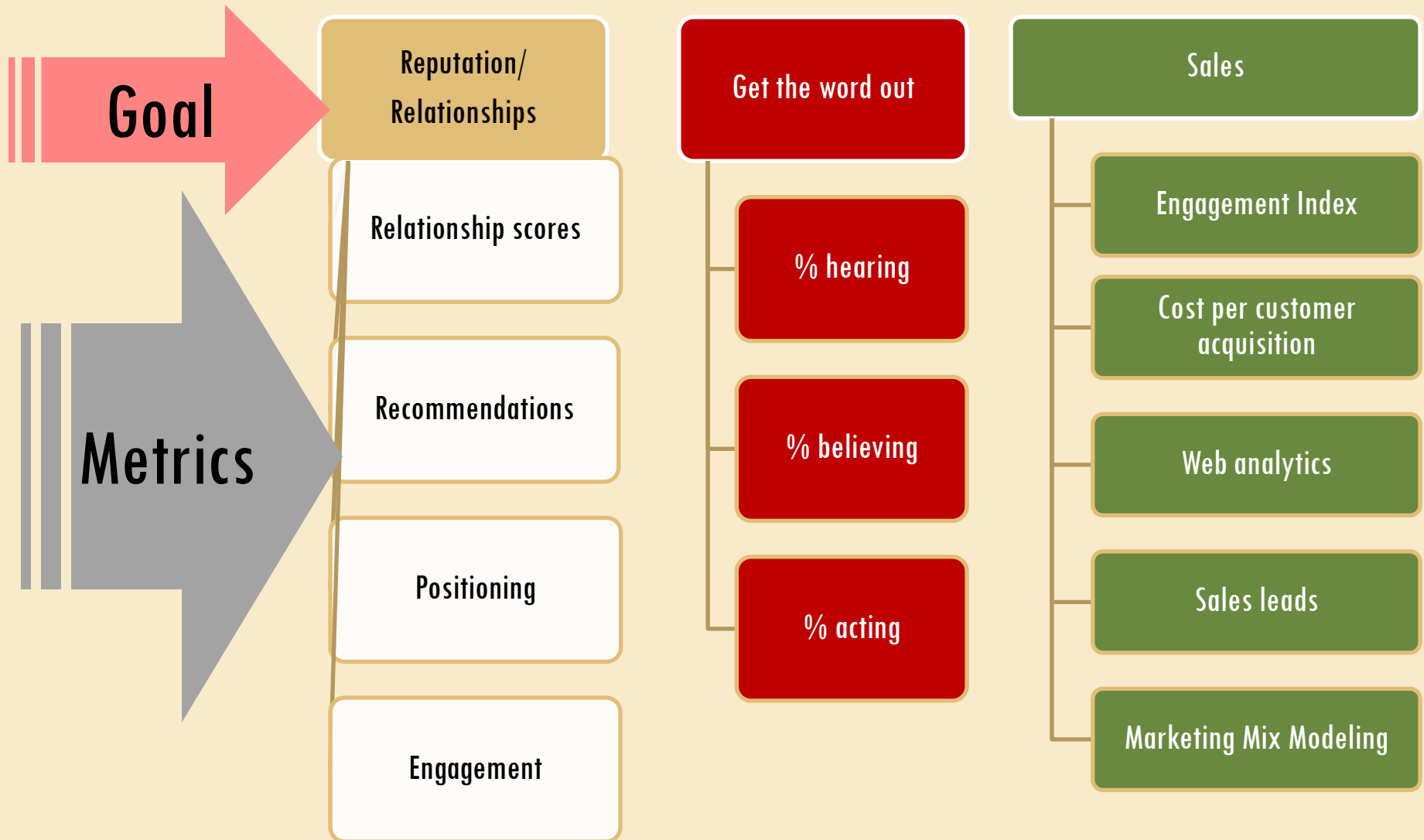
To fix this



Or get to this

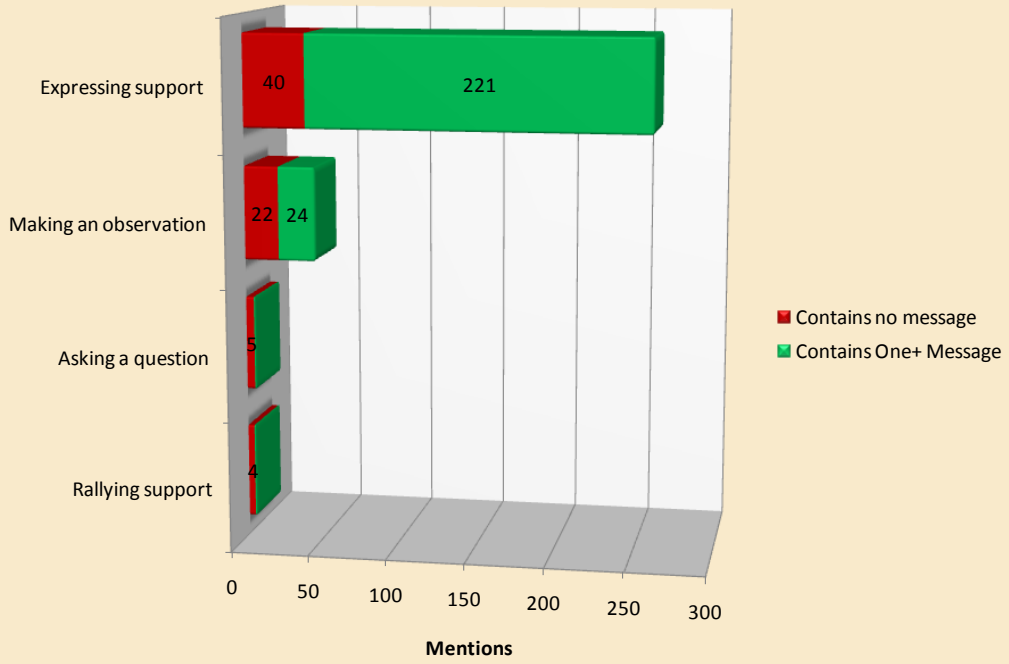


# Goals drive metrics, metrics drive results

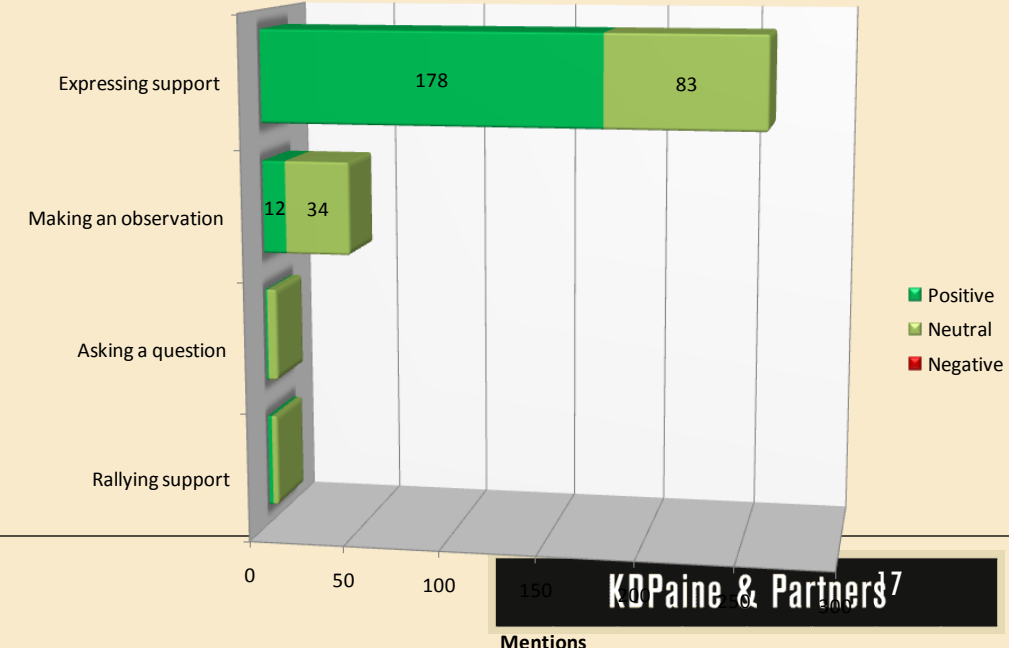


Conversation Type	January	February	March
Making an observation	142	152	46
Expressing support	20	40	261
Offering an opinion	18	1	1
Rallying support	4	4	5
Advertising something	10		
Asking a question	1	2	6
Distributing media	4	2	
Making a suggestion	2	3	
Giving a shout-out	1	2	1
Calling for action	1	2	
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

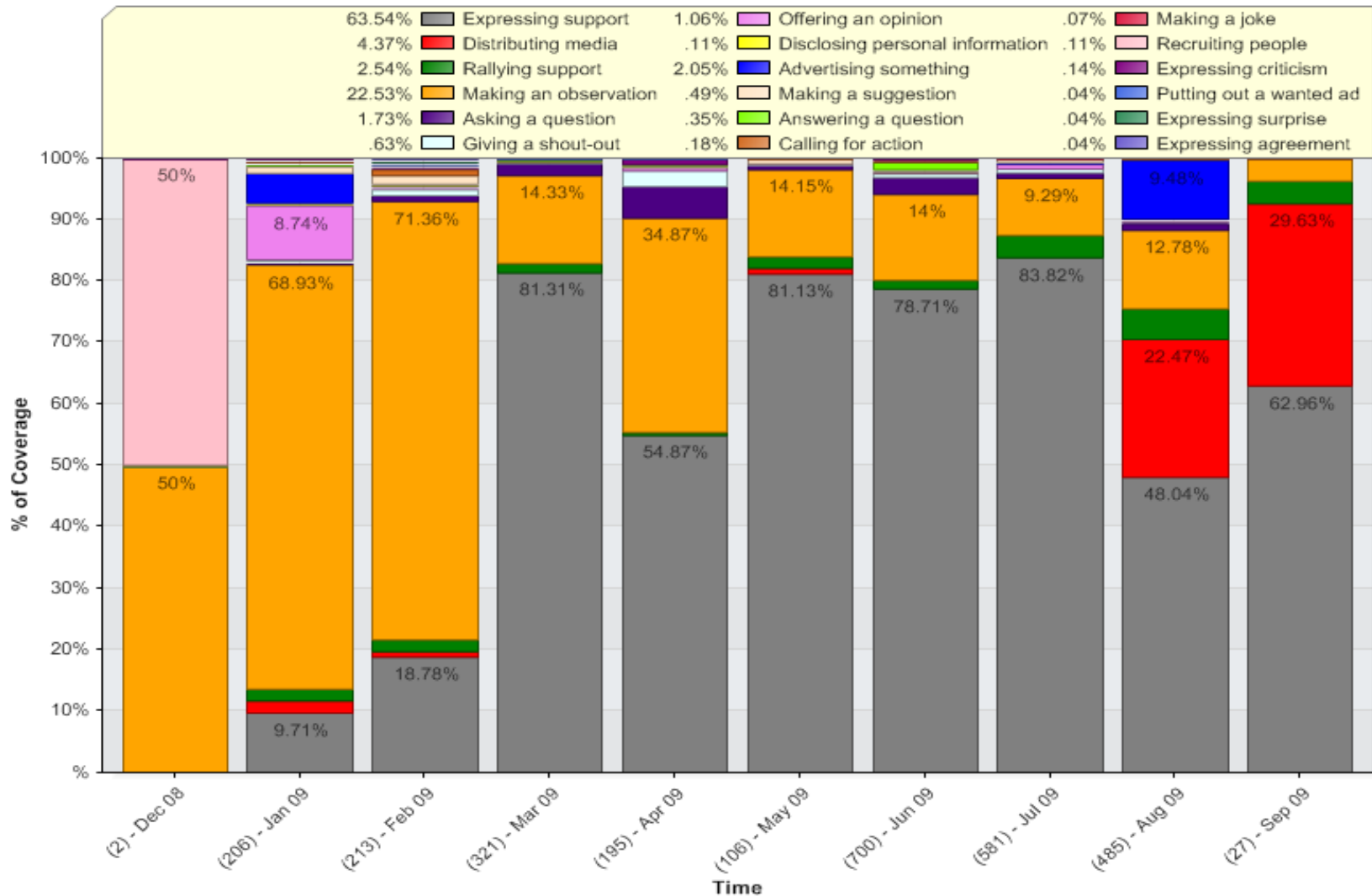
Conversation Type by Message Saturation



Conversation Type by Tone



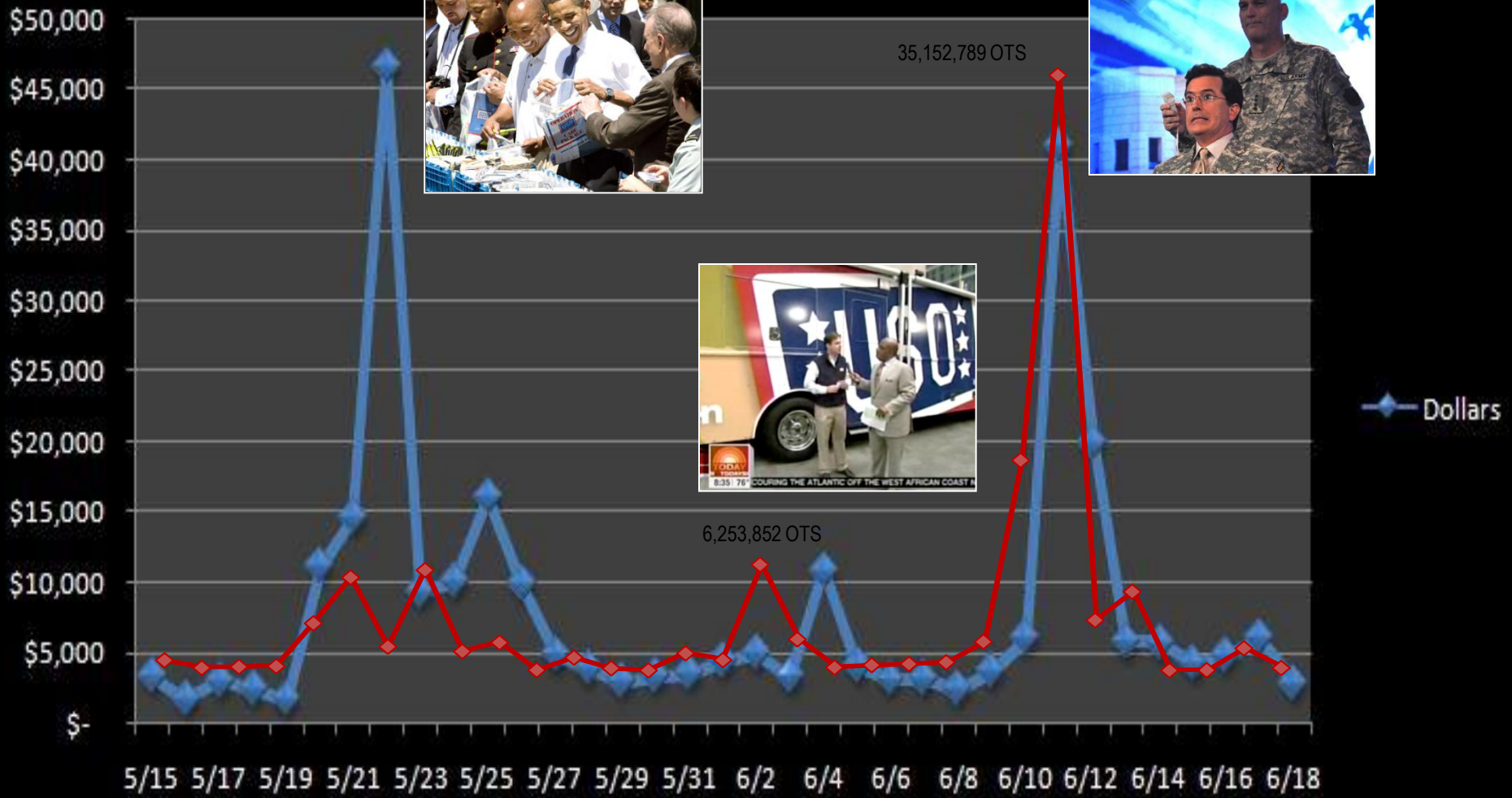
# Moving conversation from observation to support



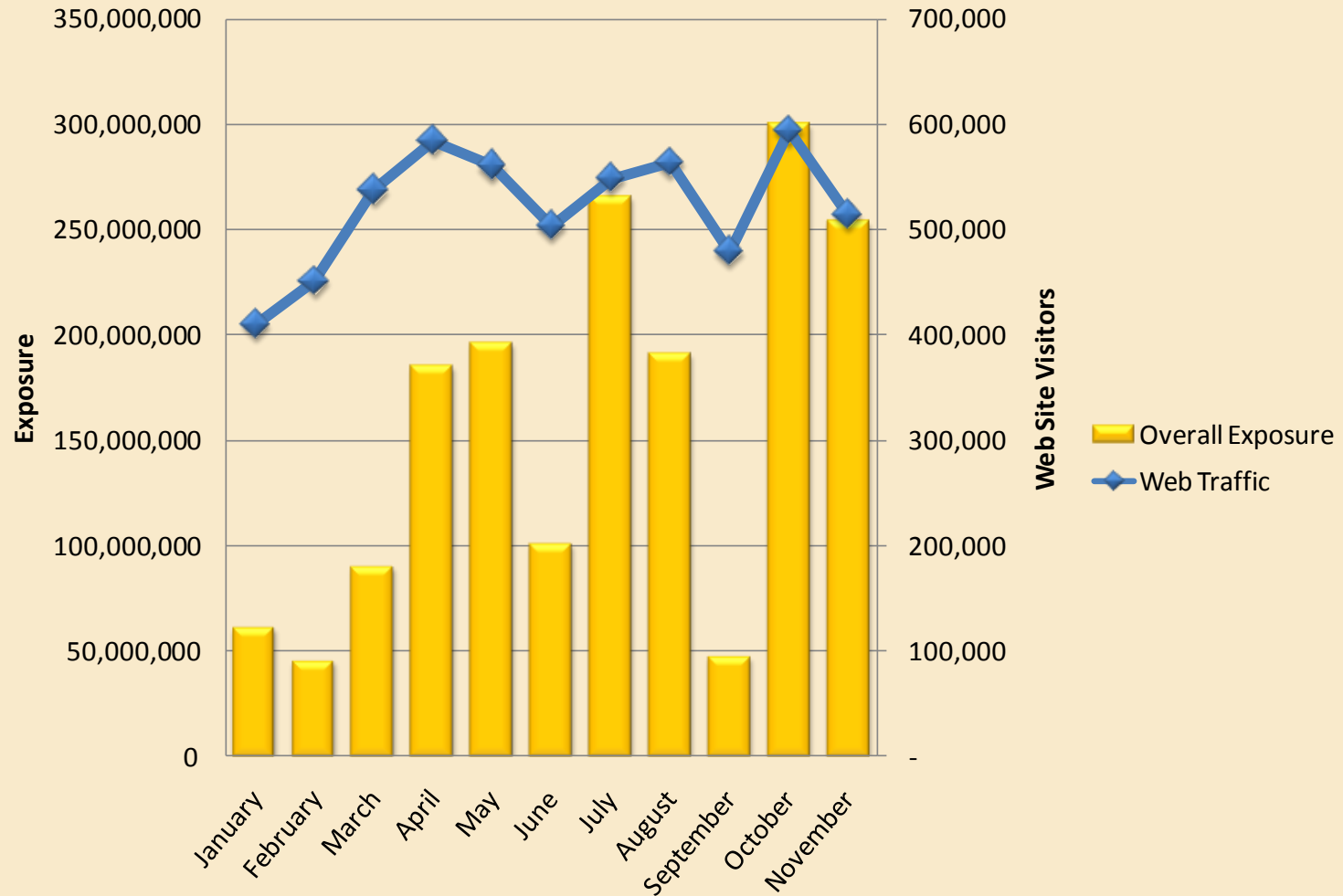
# Media Engagement & Online Giving

## Online Revenue

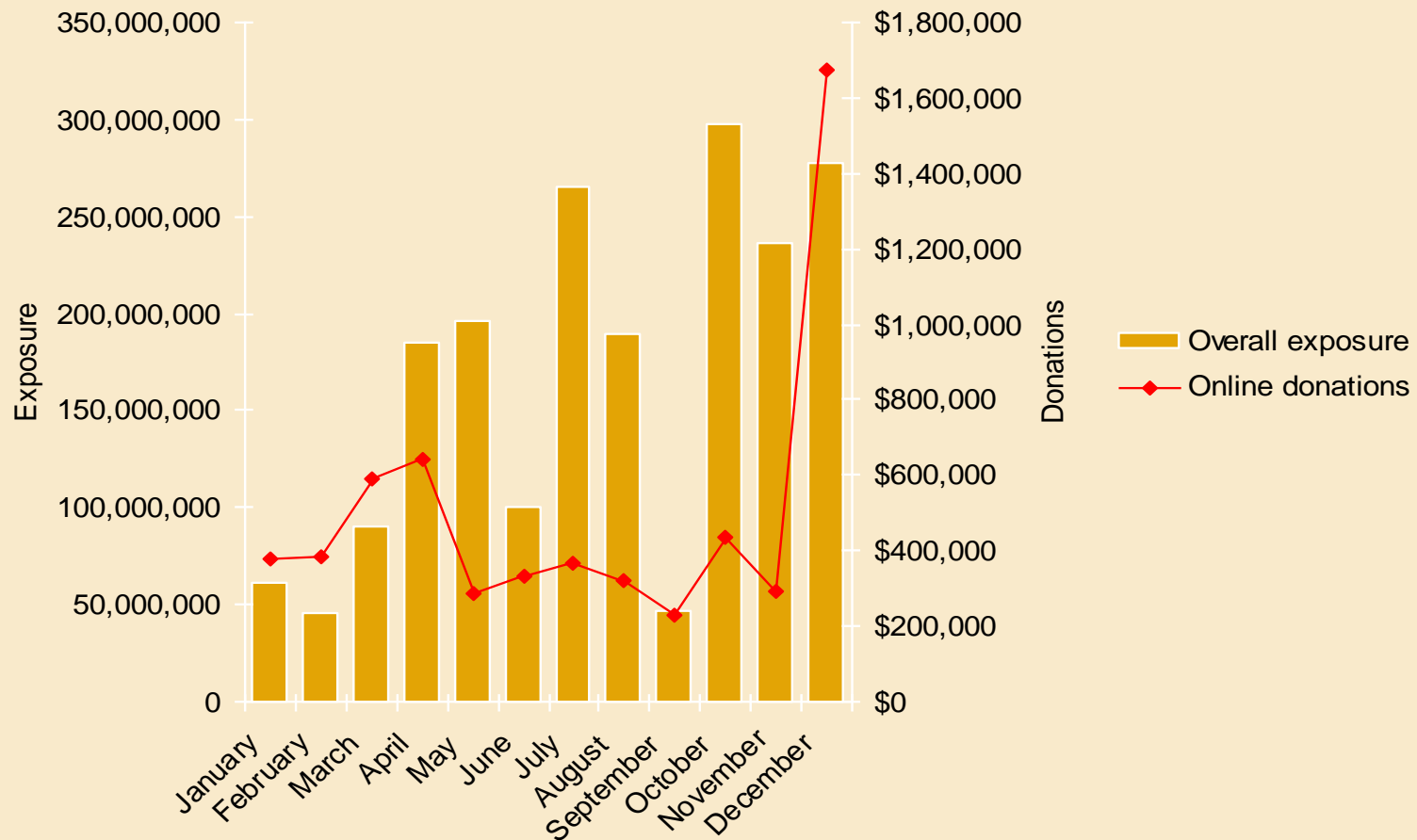
May 15th - June 18th in \$USD



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



# Tying activity to development/marketing goals



# Change the conversation, improve your reputation



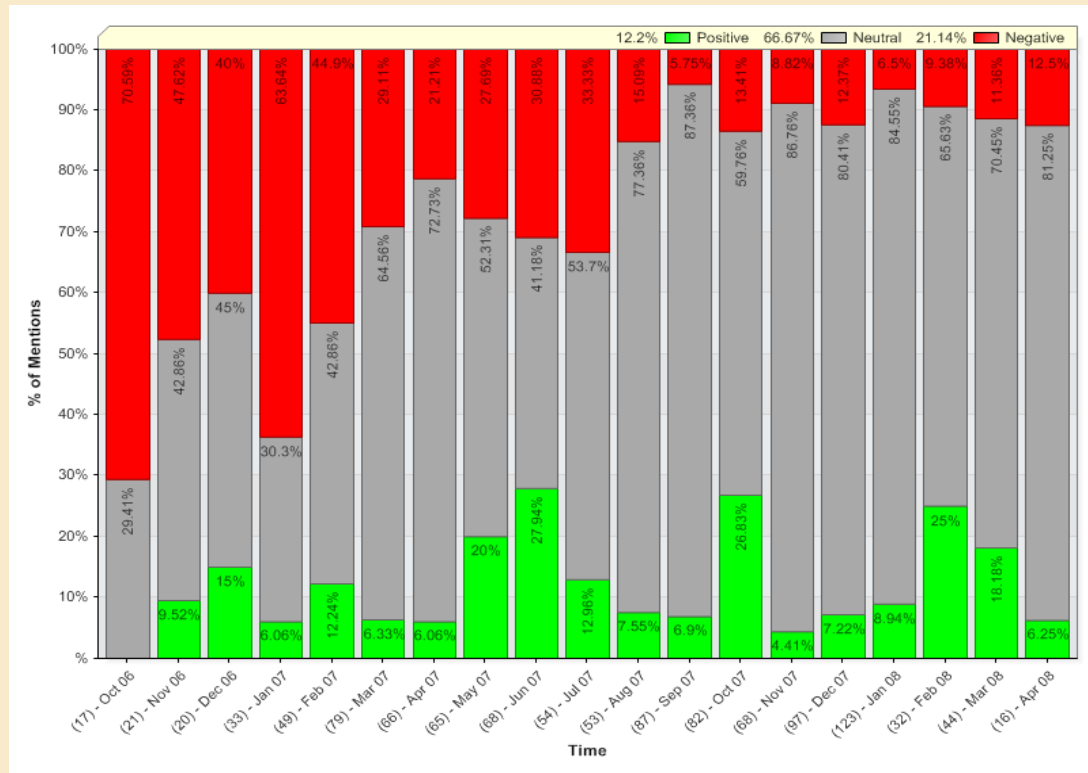
Improve your reputation



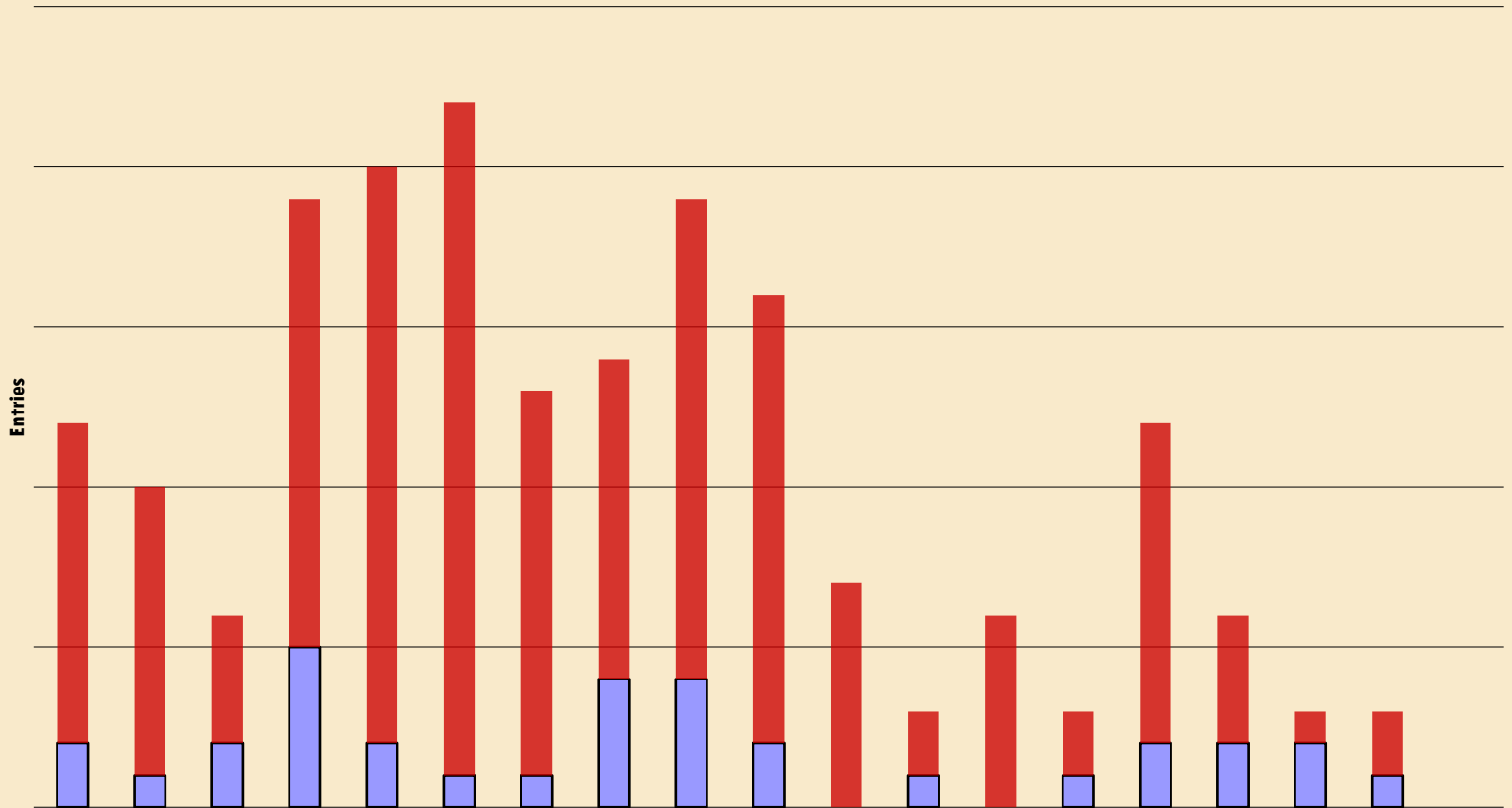
Listen first, then respond



Stop doing stupid things



# Negative coverage over time



# What do you need to measure?

**Impact  
(Outputs/Outtakes)**

**Outcomes**

*Did your relationships improve?*

*Were your messages communicated*

*Did you get the exposure you wanted?*

*Did sales or revenue or profits increase?*

*Did your relationship change?*

*Did the right people show up?*

*Did audience behavior change?*

# Goals, Actions and Metrics

Goal	Action	Output Metric	Outtake Metric	Outcome Metric
Get the word out about safety issues	Twitter campaign	Number of followers Number of posts	% trusting AAA as a reliable source of information % increase in tweets and retweets	Reduction in safety hazards Reduction in accidents
Increase in creative class venues downtown	Flickr/YouTube photo contest	Number of entrants	% change in share of "creative/artistic" positioning in traditional and social media	Increase in requests for information for space Increase usage of support materials/ funding
Adoption of a new product	Facebook page YouTube video	# of friends, followers that participate in the conversation Length of threads % recommending product & visibility	% awareness % preferring brands	Increased web traffic to info site Online orders Market share

# Q & A

# The 7 steps to Measuring ROI in 2010

1. Define the “R” — Define the expected results?
2. Define the “I” -- What’s the investment?
3. Understand your audiences and what motivates them
4. Define the metrics (what you want to become)
5. Determine what you are benchmarking against
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?**



# ROI = revenue or savings



ROI = cost savings



+ Cost of program



– Cost elimination



ROI = greater efficiency



+ cost of program



– cost of doing something “the old way” (cost per percentage point gained)



ROI = greater revenue, improved ALP



+ cost of program



– value of leads/sales



# Step 2: Define the “I”



What is the investment?



Personnel



Agency compensation



Senior Staff time



Opportunity cost

## Step 3: Define the universe and your role in it



There is no “audience.” There are multiple constituencies



Should you blog or Twitter? Don’t ask me, ask your customers



Understand your role in the conversation



Raise awareness



Increase preference



Increase engagement



Improve relationships



Customer service

# Step 4: Define your benchmarks



Past Performance



Different programs, different tactics



Think 3



Peer



Underdog nipping at your heels



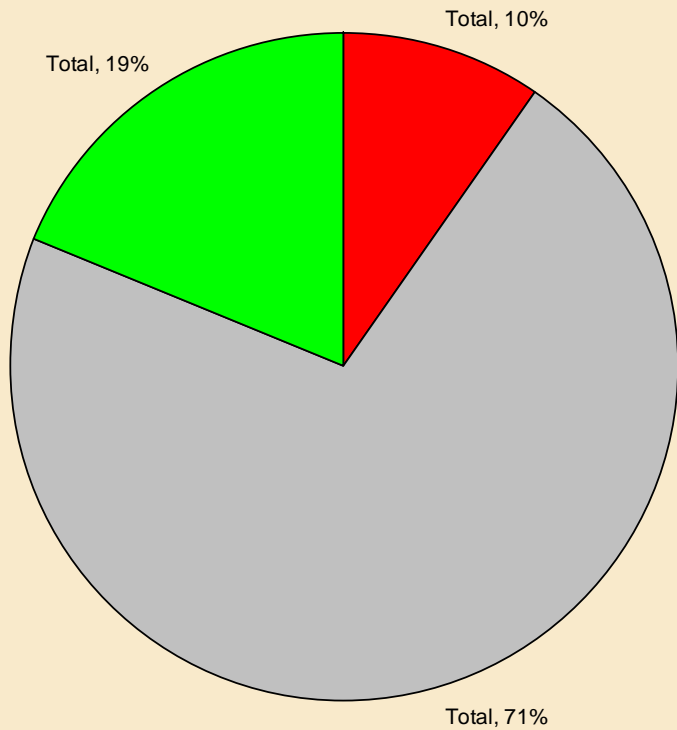
Stretch goal



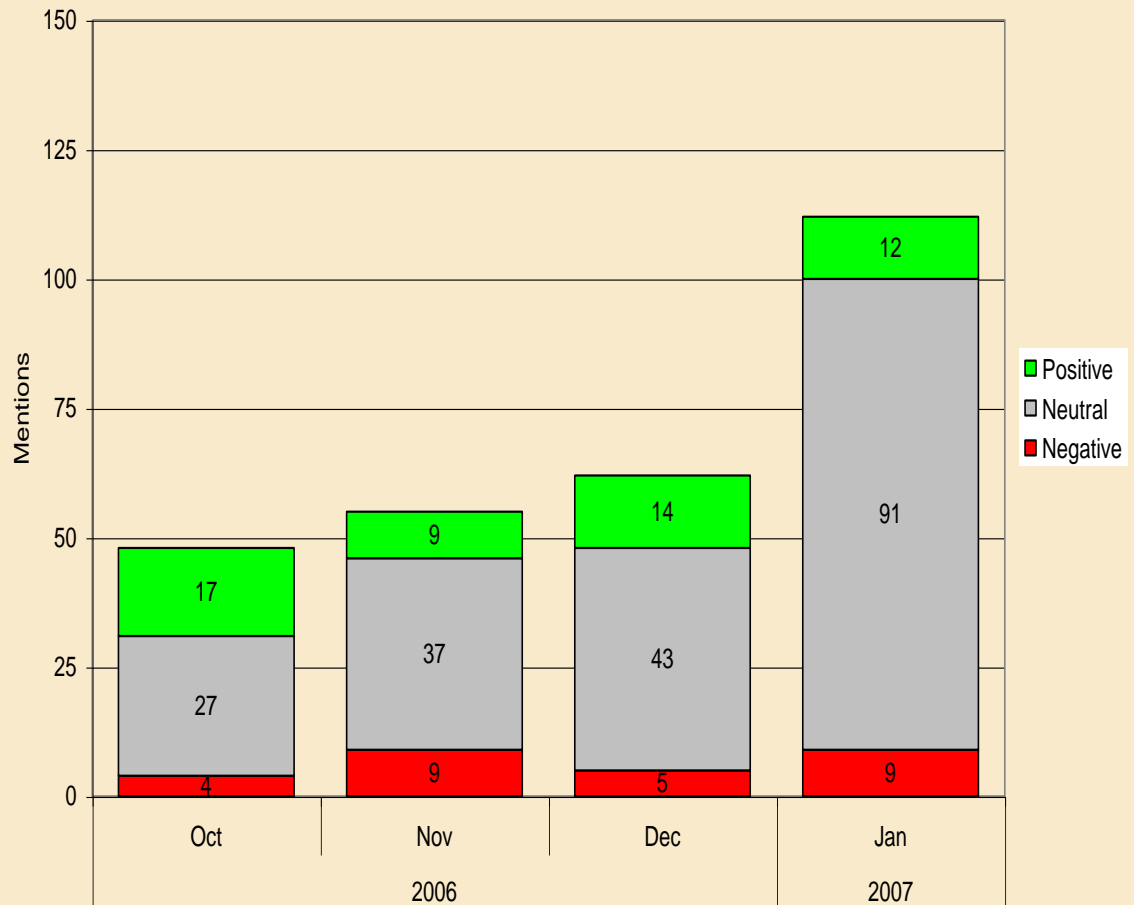
Whatever keeps the C-suite up at night

# Past performance: tonality of blog content

Tonality of all blog postings

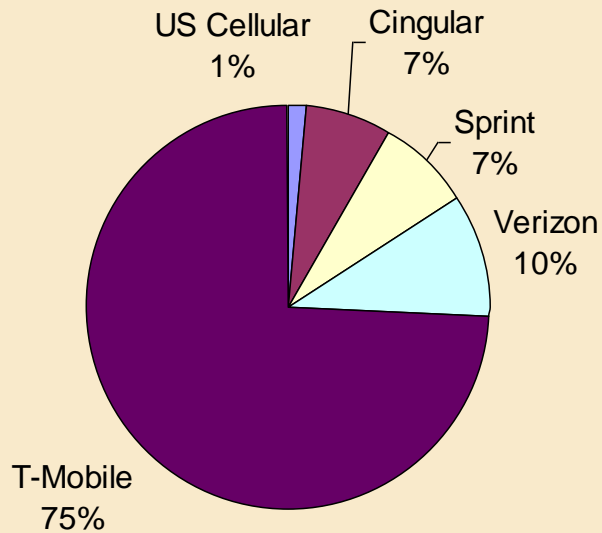


Tonality of Coverage Over Time

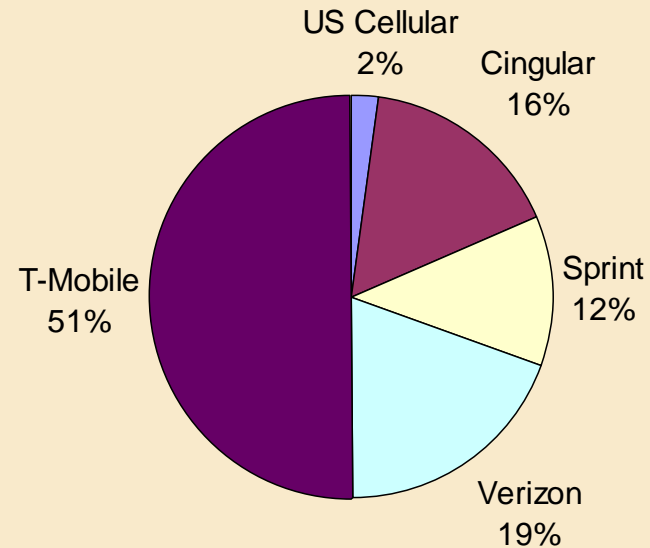


# The competitive landscape

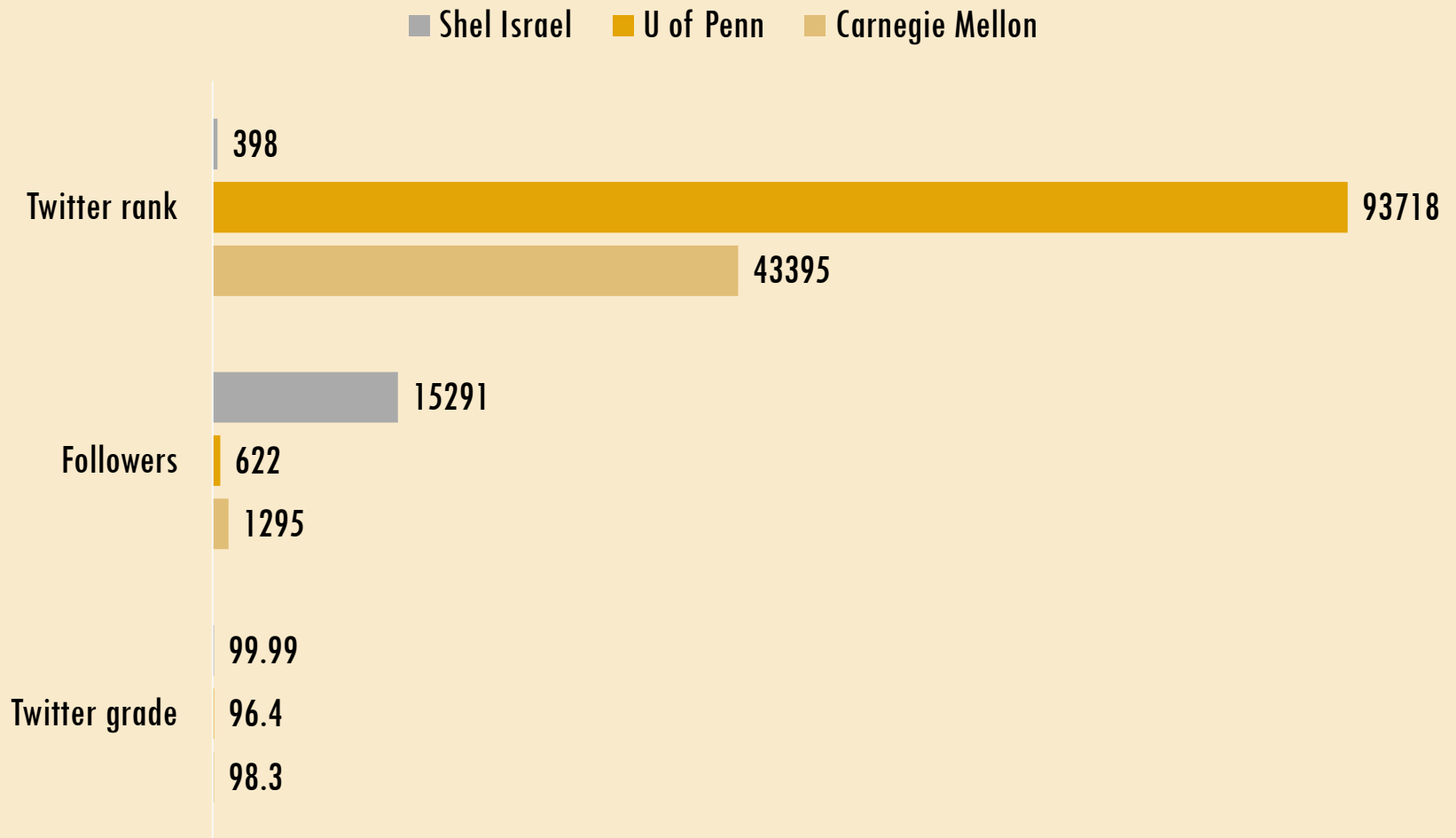
## Technorati mentions with high authority



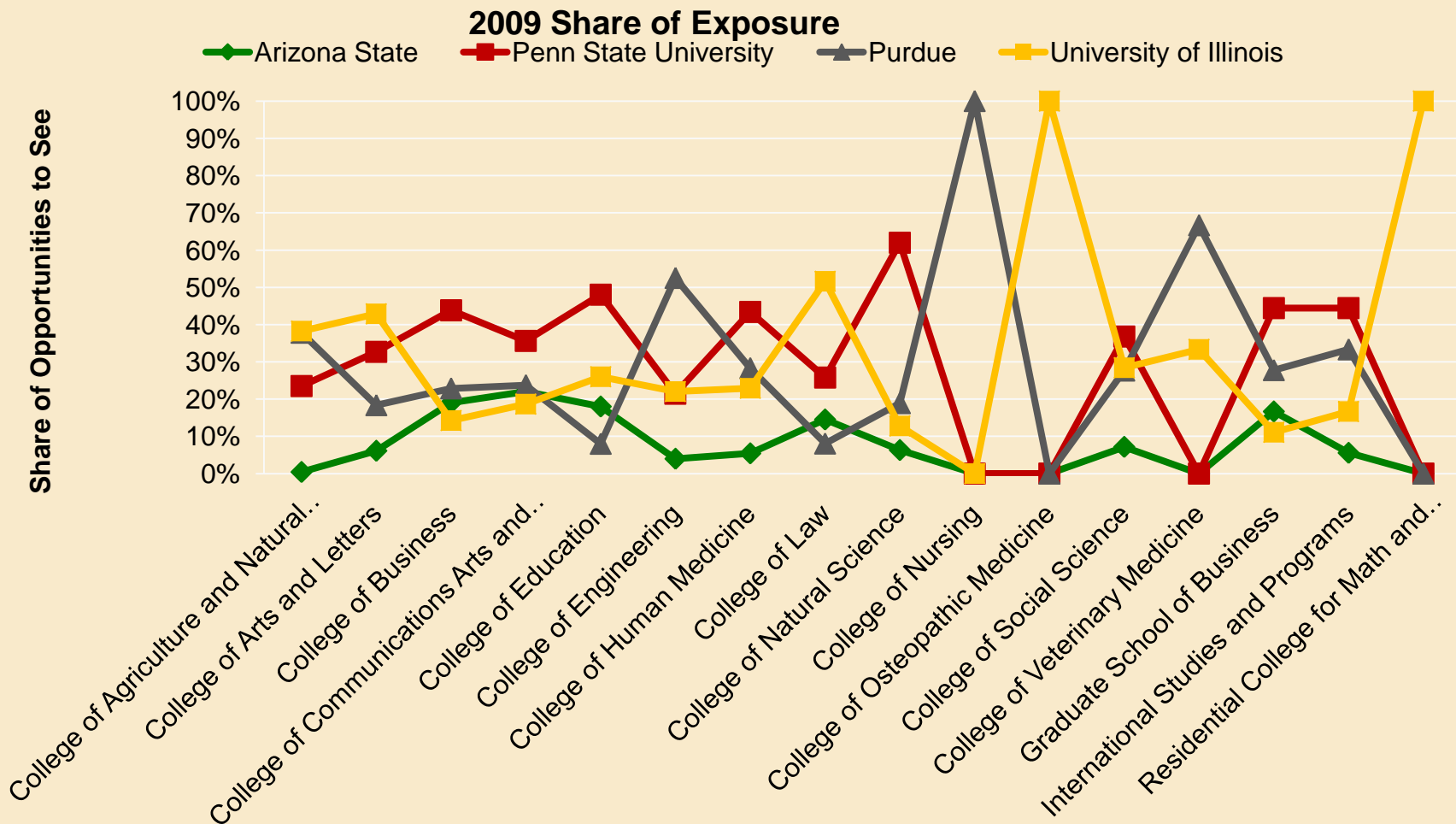
## Company "sucks" mentions in Technorati with high authority

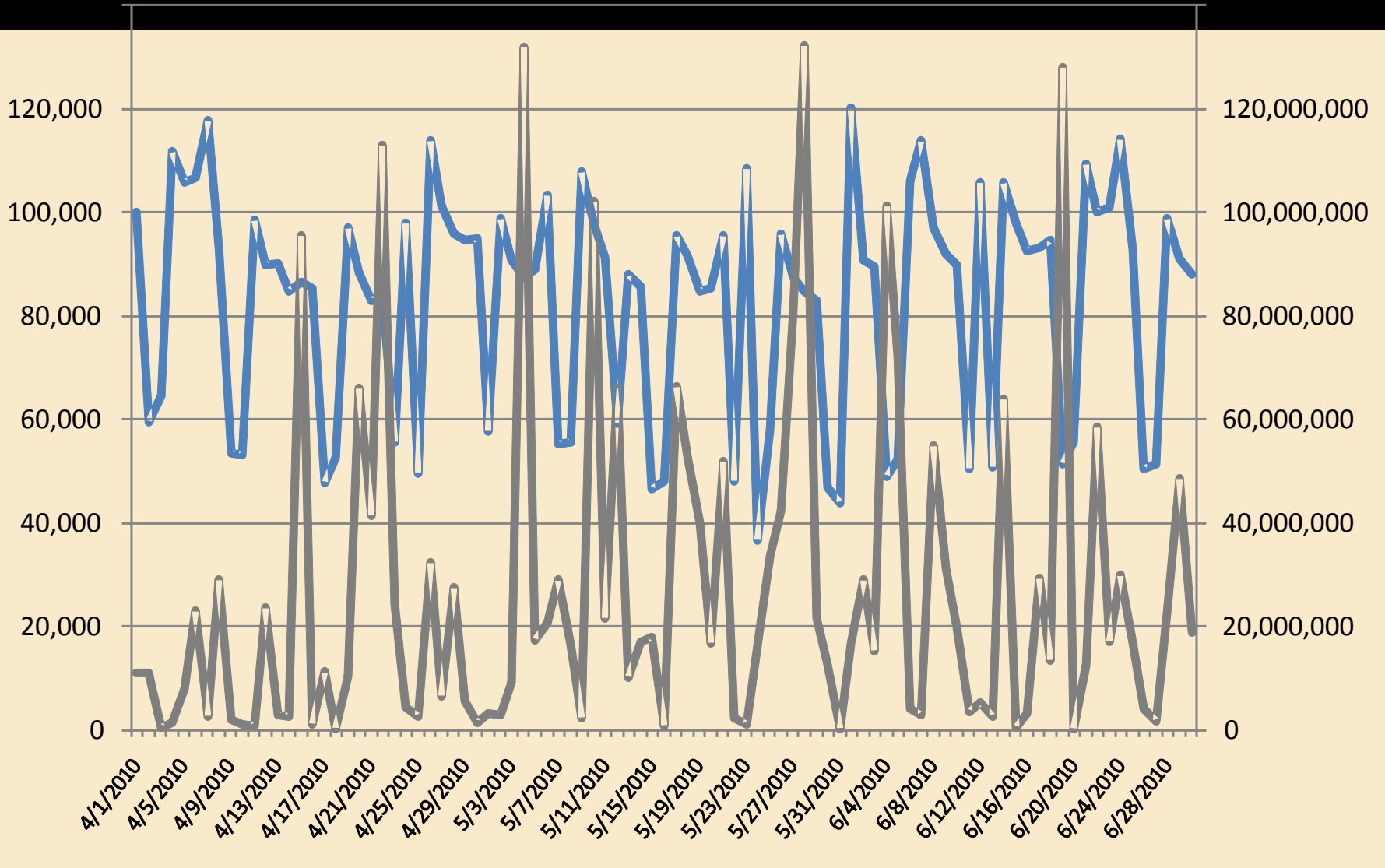
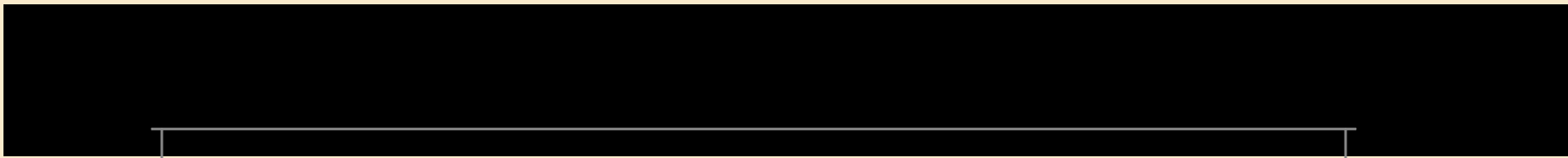


# Benchmarks put numbers in perspective



# Share of exposure by college





OTS ALL Mentions of SLM Only

— Web Visitors — SLM OTS

Unique Web Visitors to Sallience.com Only

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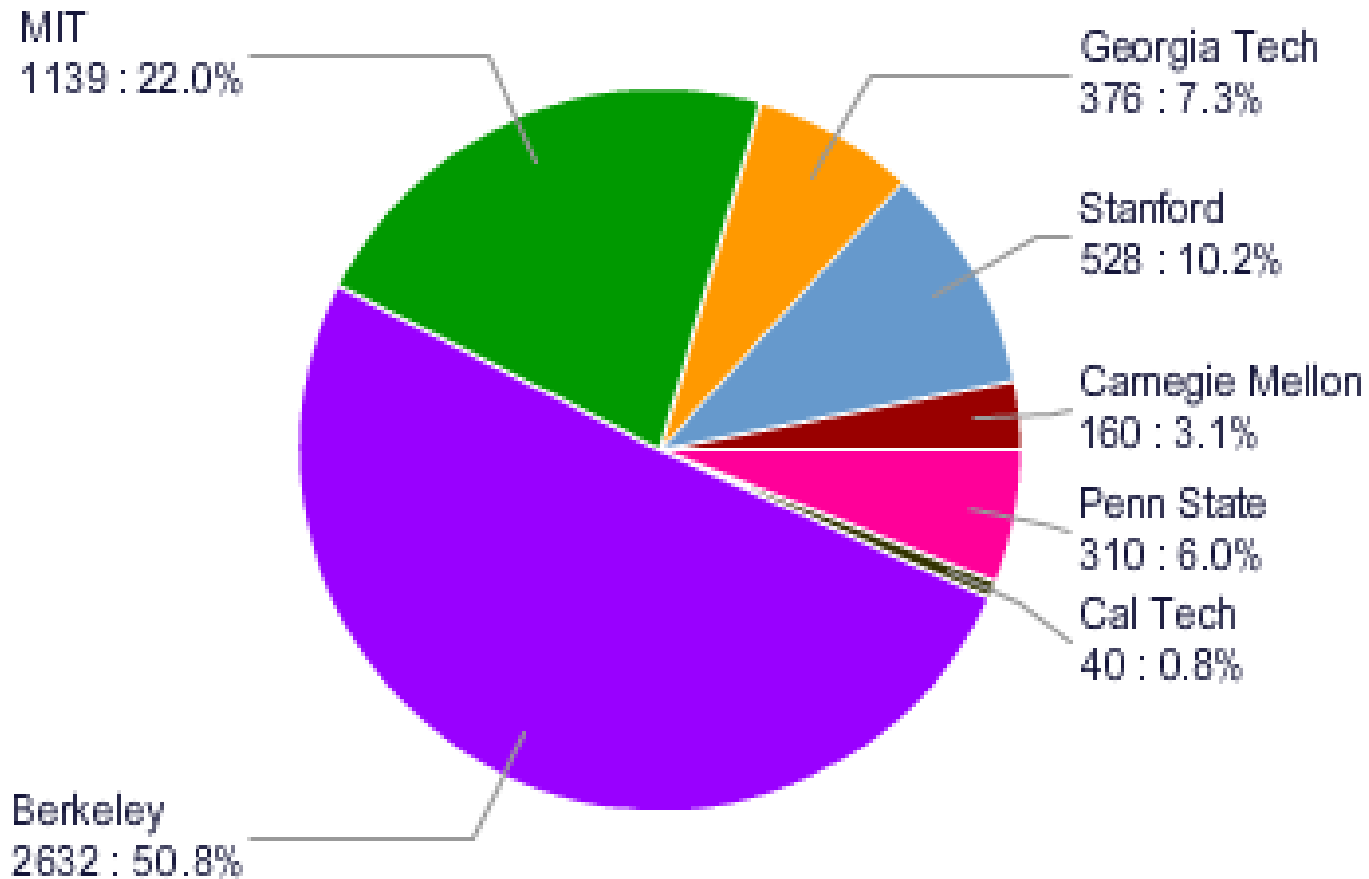
# Overview of Key Metrics

Peer 1 was the competitive leader in all but *YouTube*, where Peer 4 and Peer 3 led.

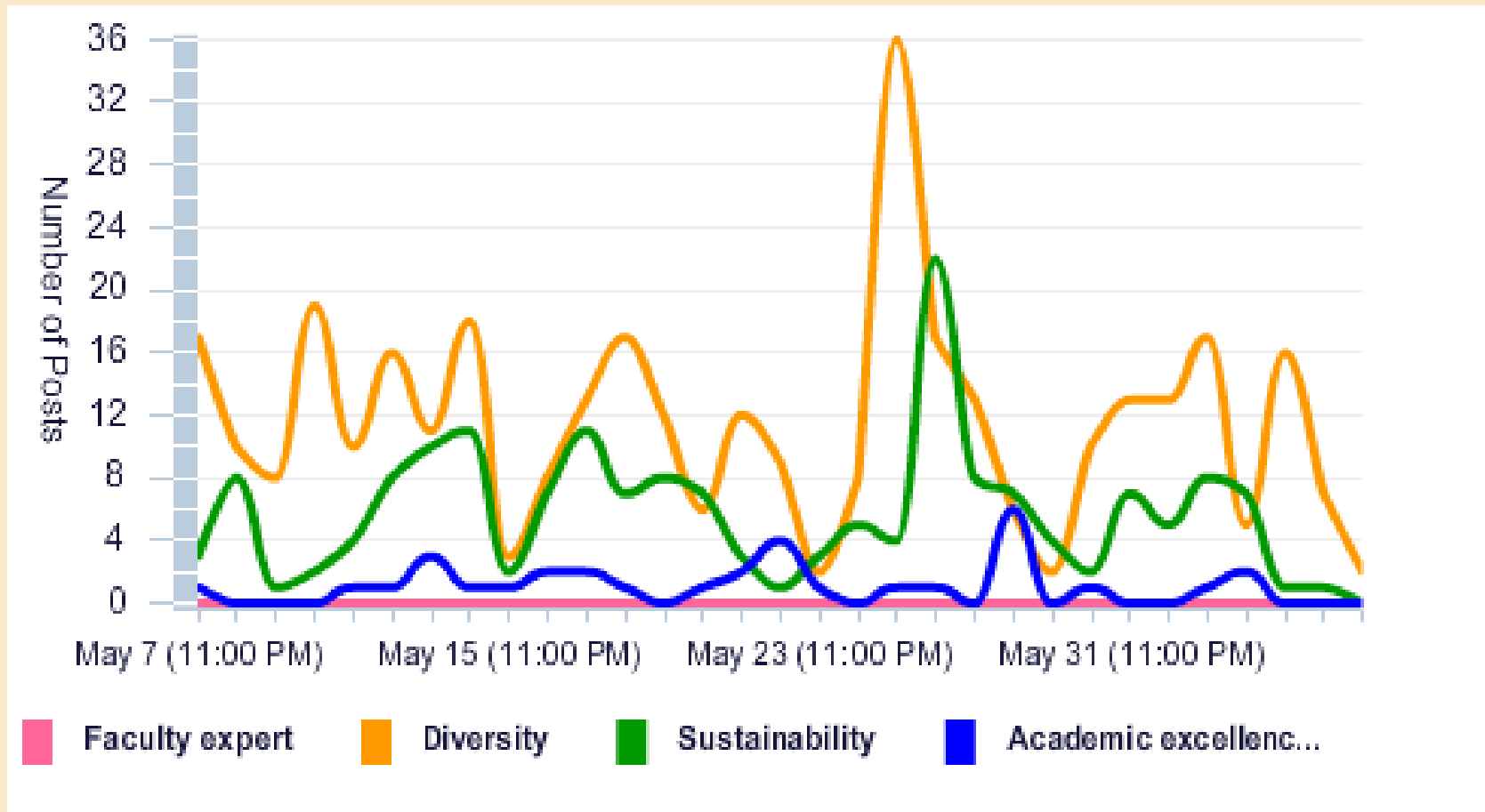
Actions attributed to individuals were responsible for most content, except on *YouTube*.

	Bookmark.	Facebook	Ext. Blogs	Inst. Blogs	YouTube	MSM
SOV	2%	—	8%	9%	11%	7%
Popularity	230 bkmks	500/mo.	—	20 links	150k views	—
Engagement	59 cmts	1 day	13 cmts	2-12 cmts	2 cmts	—
% Positive	20%	32%	54%	50%	15%	15%
% Negative	0%	0%	4%	0%	1%	2%
Strat. Mess.	40%†	18%†	42%	42%†	18%	38%

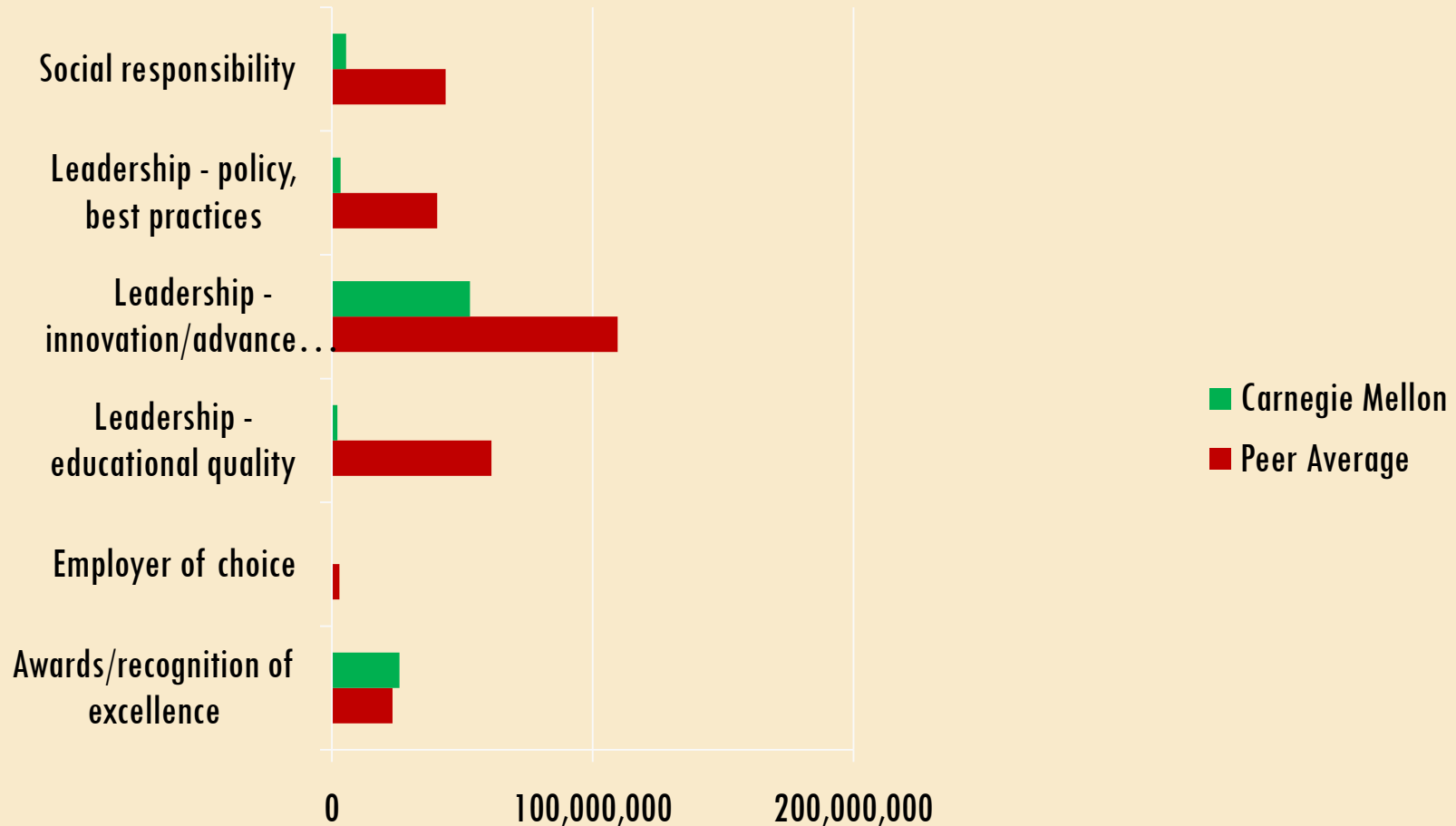
# MIT Berkeley see highest visibility in Social Media



# Diversity dominates C-M discussions in Social Media

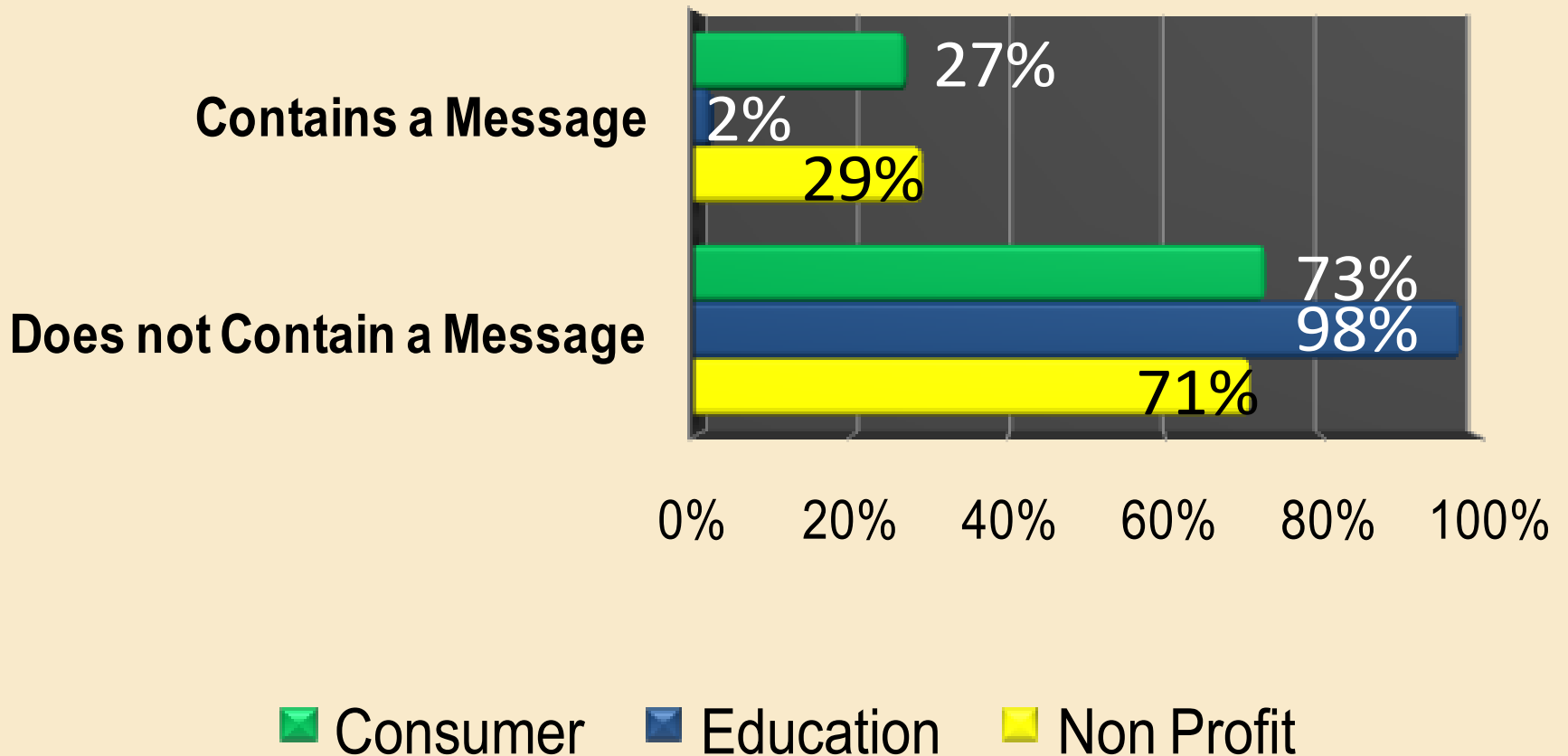


# C-M vs Peer Average on Key Issues

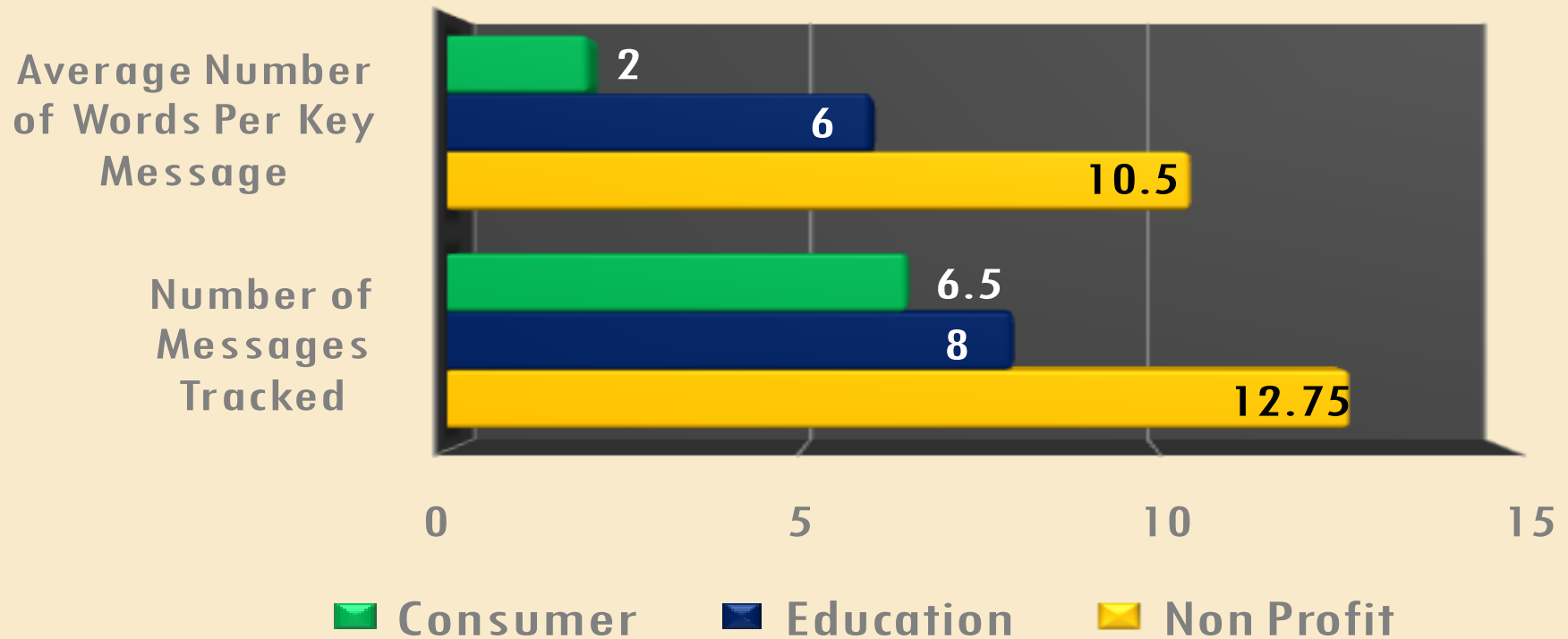


■ Carnegie Mellon  
■ Peer Average

# Key Message penetration by segment

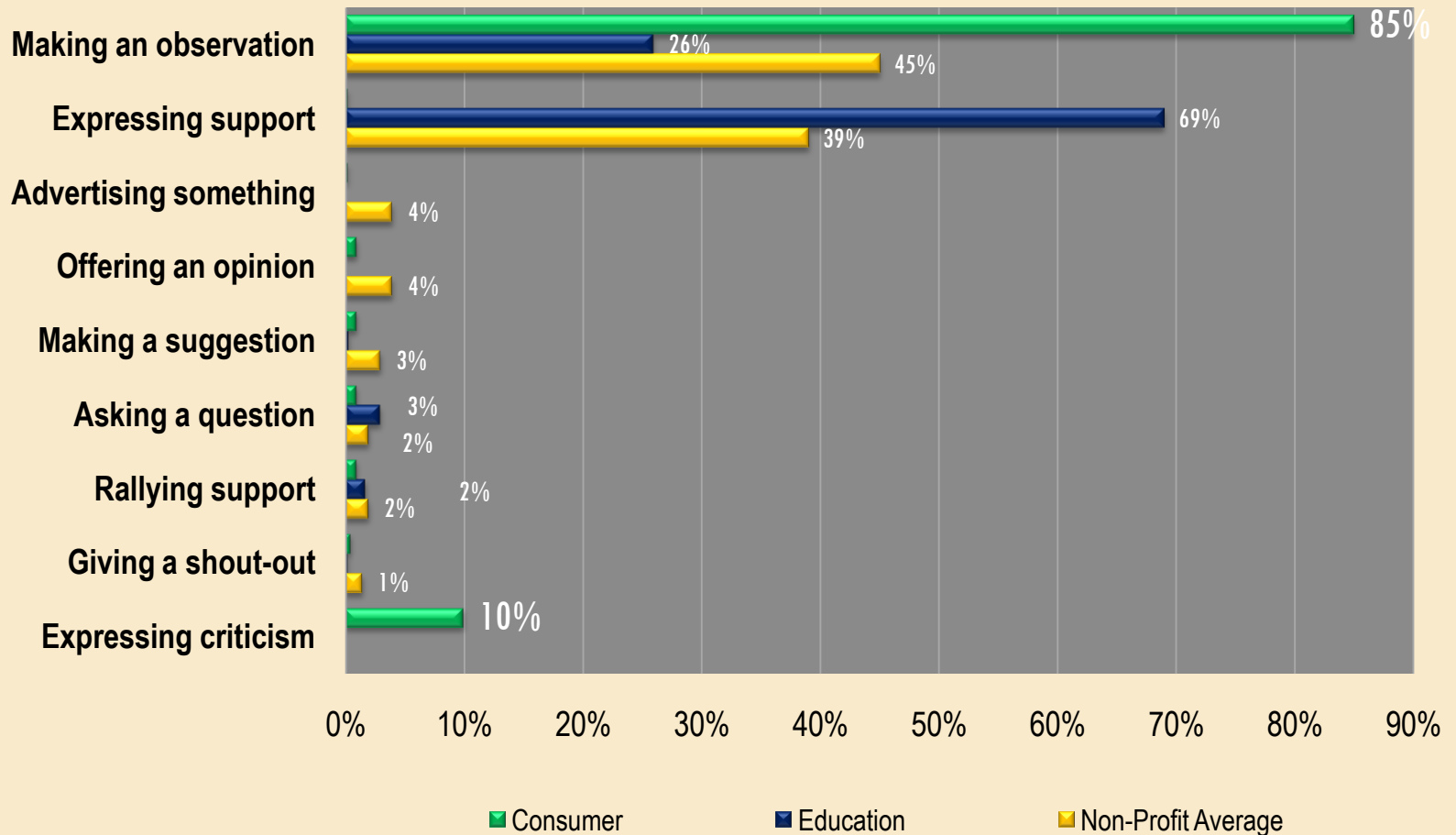


# Key messages must be 140 characters or less



Recommendation: Less is more when trying to get your messages across. We recommend reducing the number of key messages and simplifying and shortening the key messages that are tracked.

# Most conversations were making observations rather than expressing support



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



## 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

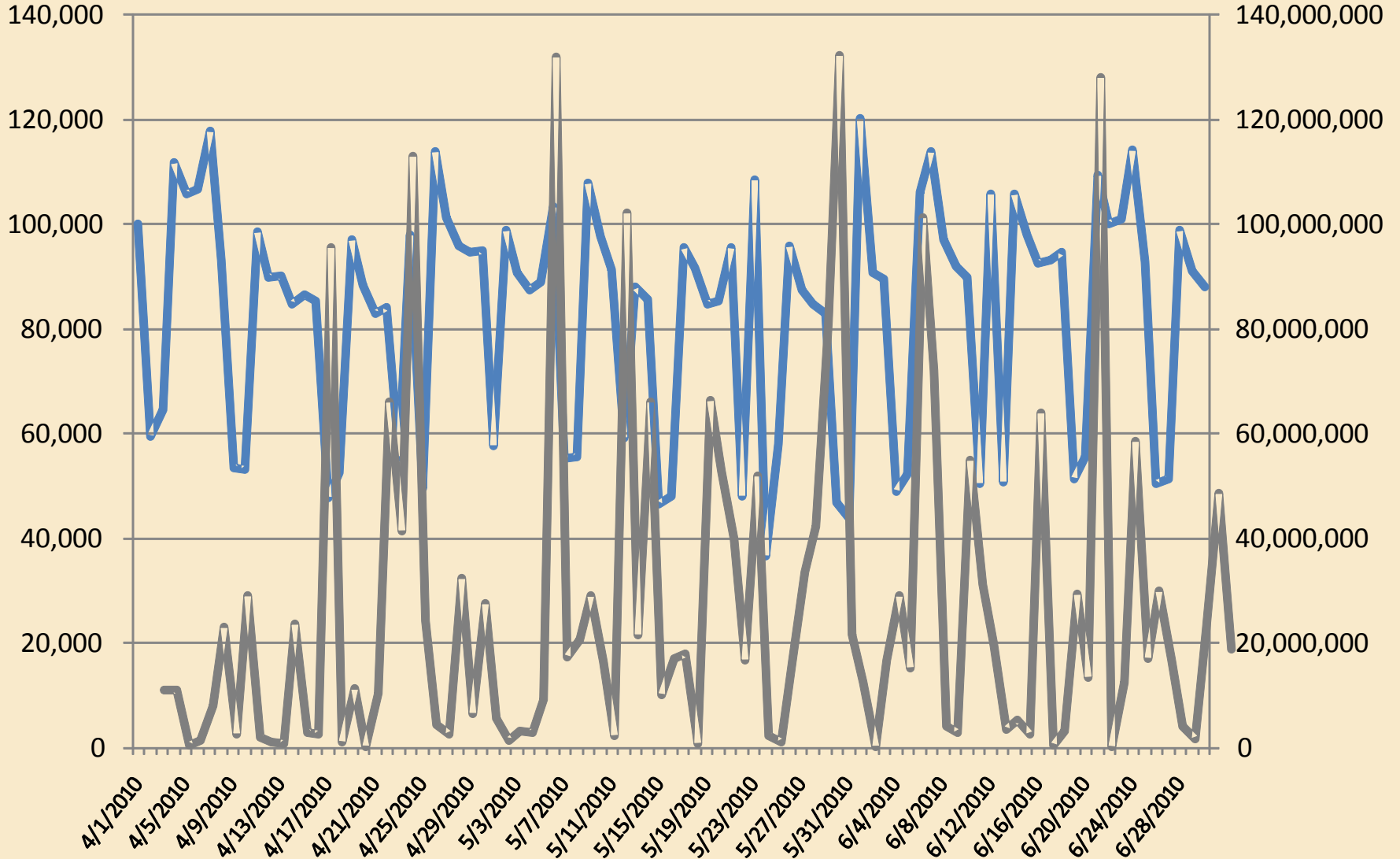


# OTS and Visitors

## Q2'10

Web Visitors

OTS



OTS ALL Mentions of SLM Only

— Web Visitors — OTS

Unique Web Visitors to Salespage.com Only

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# KPIs lead to goals

## Metrics

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



Start



Goal

# Why you need a 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 4: Define your Key Performance Indicators (KPIs) carefully because 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)

# Revenue KPIs



## Cost savings

- Cost per click thru, downloads, engagement vs. other marketing channels
- Cost per message communicated vs. other channels



## Lifetime value of engagement



## Cost per customer acquisition

## KPIs for Media

- ☀ Share of positioning
- ☀ Share of rants vs. raves
- ☀ Share of positives/negatives
- ☀ Share of visibility
- ☀ Share of quotes
- ☀ Share of brand benefits mentioned
- ☀ Types of conversations
- ☀ Engagement — ratio of posts to comments
- ☀ Optimal Content Score

## Engagement metrics



% increase or decrease in unique visits



In the past month, what % of all sessions represent more than 5 page views



% of sessions that are greater than 5 minutes in duration



% of visitors that come back for more than 5 sessions



% of sessions that arrive at your site from a Google search, or a direct link from your web site or other site that is related to your brand



% of visitors that become a subscriber



% of visitors that download something from the site



% of visitors that provide an email address



Ratio of posts to comments

# Q & A

# 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.**

# 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 –

# Content Analysis requires a content source:



**Free:**

- Google News/Google Blogs, RSS feeds, Technorati, Social Mention, Twazzup, Tweetdeck



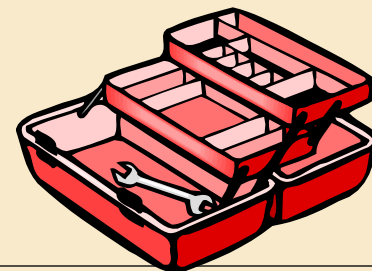
**\$500+**

- Radian 6, Techrigy, Sysomos, Visible Technologies, Scout Labs, Cyberalert, CustomScoop, e-Watch, Crimson Hexagon



**\$40,000+**

- Cymfony, Biz 360, Nielsen



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



Traditional Media



Conversations in:



Blogs



Facebook



YouTube



Twitter

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



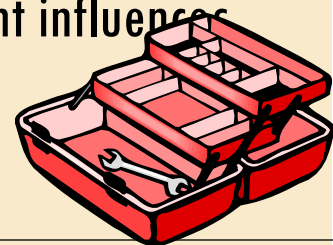
## Content sources:

- 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



# Then: A coding methodology



**Tonality**



**What messages were communicated**



**How you're positioned on key issues**



**Dominance/Prominence/Visibility**



**Authority/Influence of author**



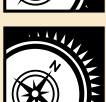
**Subject of the article/posting**



**Who was quoted?**



**Products, events, initiatives, battles mentioned**



**The Kick Butt Index**

# Coding: Tone of conversation



## 1<sup>st</sup> Define your terms



### Sentiment

- Positive
- Negative
- Neutral
- Balanced



### Positioning on key issues



### Messaging

# Standard classifications of discussion

## Supportive Conversations

- Calling for action
- Distributing media
- Expressing agreement
- Expressing support
- Expressing surprise
- Giving a heads up
- Responding to criticism
- Giving a shout-out
- Rallying support
- Validating a position
- Augmenting a previous post

## Neutral conversations

- Disclosing personal information
- Acknowledging receipt of information
- Advertising something
- Answering a question
- Asking a question
- Making a joke
- Making a suggestion
- Making an observation
- Offering a greeting
- Offering an opinion
- Putting out a wanted ad
- Recruiting people
- Soliciting comments
- Soliciting help
- Starting a poll

## Critical Conversations

- Expressing surprise
- Calling for action
- Giving a heads up Expressing criticism
- Showing dismay
- Responding to criticism
- Augmenting a previous post
- Offering an opinion
- Putting out a wanted ad
- Showing dismay

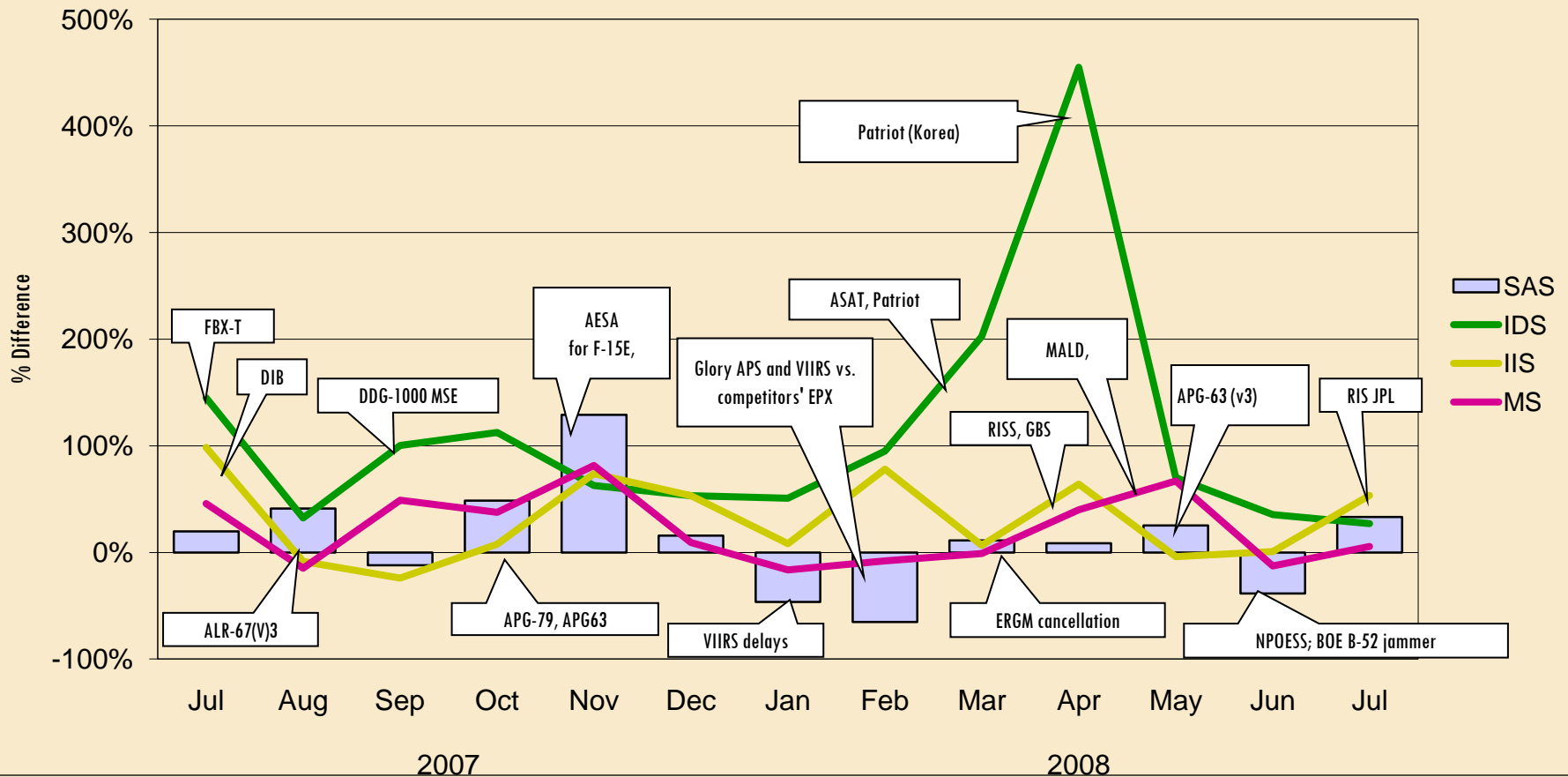
# How to calculate your KBI

-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
<b>Positioning</b>	Contains	2	Doesn't contain	0	-2
					Does not contain or miscommunicates key message (neg mess)
<b>Messaging</b>	Contains	3	partially contains	0	-1
<b>Quotes</b>	Contains	1			Does not contain -1
<b>Competitive mention</b>	Does not mention Competition	1			Competition mentioned prominently -3
<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

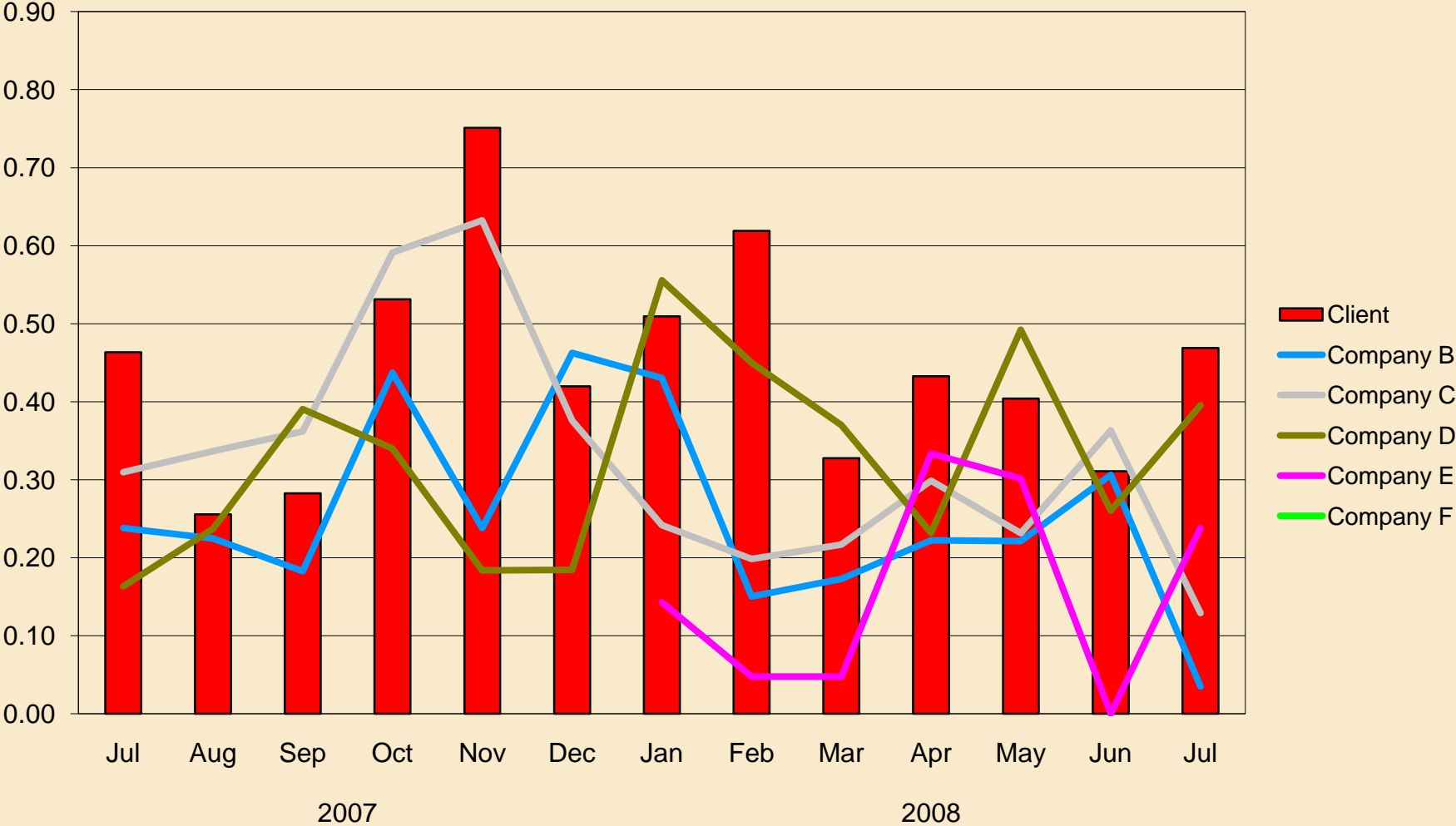
## Kick Butt Score Relative to other LOBs

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



# Assessing Influence



Free tools: Twitter Grader, Tweetlevel, Twitalyzer



\$\$: Hitwise, Compete, Quantcast

# Assessing Influence



Tweetlevel and/or Twitalyzer

Criteria	Bankrate	Bankratenews	SmartMoney	Money Magazine
Impact	0.2	0.2	2.5	9
Engagement	0	0	0	0
Generosity	0	0	1.9	0.5
Clout	0.2	0	8.2	0
Influence	0.2	0	2.3	0.5

# 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)

# Key words to search for



## Control mutuality

- ✳ Throw its weight around, bully, unfair
- ✳ Listens, responsive,



## Trust,

- ✳ Untrustworthy, luscious,
- ✳ Relied on to keep its promises, accomplish what it says it will do.



## Satisfaction

- ✳ Hate, dissatisfied, unhappy
- ✳ Pleased, satisfaction, enjoy dealing



## Commitment

- ✳ Quit, churn, cancel
- ✳ Long standing, renew, retention,



## Exchange relationship

- ✳ expects something in return whenever it offers us a favor,
- ✳ compromise



## Communal relationship

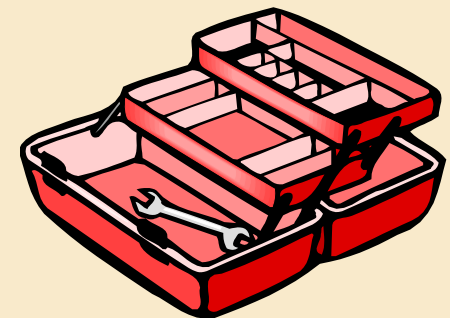
- ✳ stepping on other people, abuse
- ✳ Concerned, caring, want it to succeed

# Surveys require:

- ✦ A defined sample
- ✦ A list — a way to get to that sample
- ✦ Agreement on what questions you need to answer
- ✦ A survey instrument/questionnaire
- ✦ A test
- ✦ A way to analyze data

➤ SPSS

➤ SAS



# Tool #3, Web Analytics to determine if they *act* engaged

 Must account for all activity

 Must measure engagement, not just eyeballs



# Built in tools to measure engagement



Coupons



Google Analytics



Omniture



Web Trends

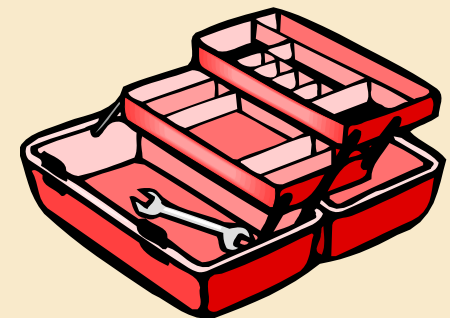


Yowza



# Web Analytics Require:

- ⊙ Google Analytics/Web Trends/Omniture
- ⊙ Unique URLs
- ⊙ Data delivered in parallel with content analysis
- ⊙ Ability to correlate and integrate data
  - SPSS/SAS



## 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**

# Actionable Conclusions

**A**sk for money

Get **C**ommitment

Manage **T**iming

**I**nfluence decisions

Get **O**utside help

Just Say **N**o

# Best Practices:



## Correlations to bottom-line impact

- ☉ Donations
- ☉ Memberships
- ☉ Sign-ups
- ☉ Leads



## Using SMM for planning

- ☉ Define the time frame, market/topic you want to study
- ☉ Use Google News, Technorati or Radian6 to identify the conversations around the topic
- ☉ Analyze the conversations for type, tone and positioning
- ☉ Look at share of positioning, tone or conversation



## Benchmarking against your peers

- ☉ Looking at what the best do
- ☉ Setting goals accordingly
- ☉ Use data to persuade recalcitrant spokespeople



## In Crisis

- ☉ Listen instantly to a wide range of influencers
- ☉ Identify weaknesses in communications, customer service, or in the product



## Improve your reputation

- ☉ Listen first, then respond
- ☉ Stop doing stupid things

# 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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