

**KDPaine & Partners**

# Best Practices in Public Relations Measurement

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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.”**

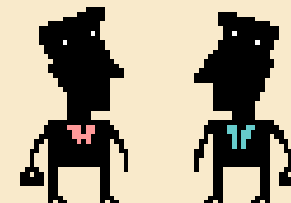
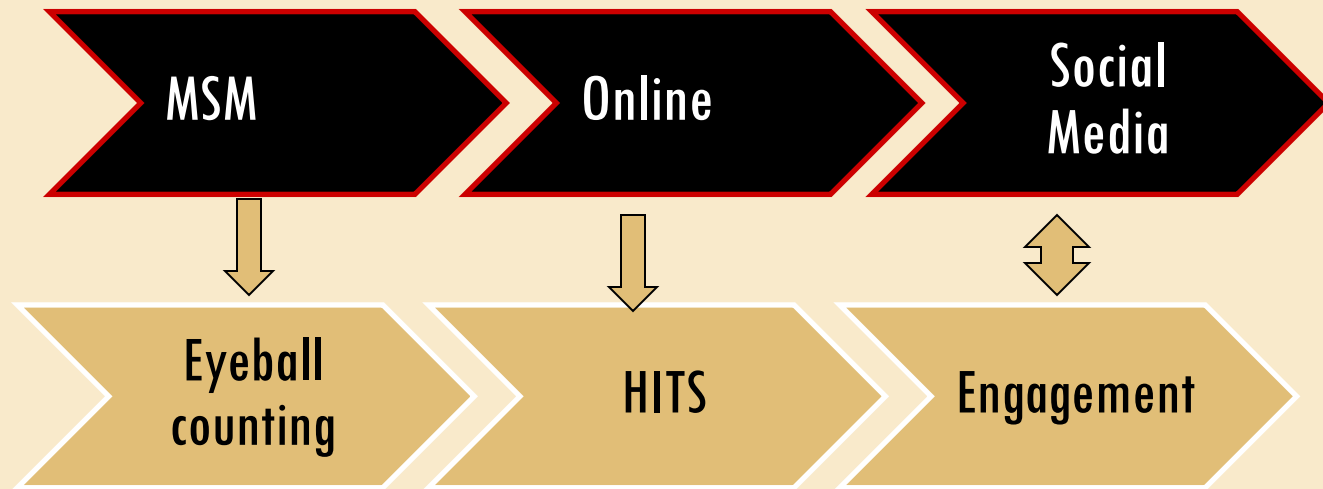
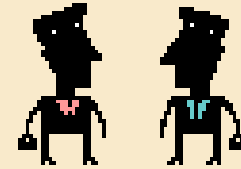
*Ralph Delahaye Paine, Publisher, Fortune Magazine ,*

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

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


1. 1 person, Andy Carvin from NPR beat out established MSM networks in covering the revolution in Egypt.
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. P&G increased sales 16% thanks to the Old Spice social media campaign
7. A NH entrepreneur won a nationwide distribution contract on Twitter
8. Goodwill tracks the impact of its social media on in-store traffic and sales
9. SAP generated more than \$1 million in revenue by starting an small business community
10. Twitter and a fast-thinking manager at Network Solutions won 500 clients from Go Daddy.


# A Metrics Timeline




# Social Media is not “THE media”

 Twitter ended 2009 with just over 75 million user accounts.

 25% of accounts having no followers and about 40% of accounts having never sent a single Tweet.

 About 80% of all Twitter users have tweeted fewer than ten times.

 89% of the world does NOT use Facebook

 80% of “media” collected is either spam, unrelated to the topic, or generated by content farms



# What's changed?



**Social media**



**Computer technology**



**Business analytics**



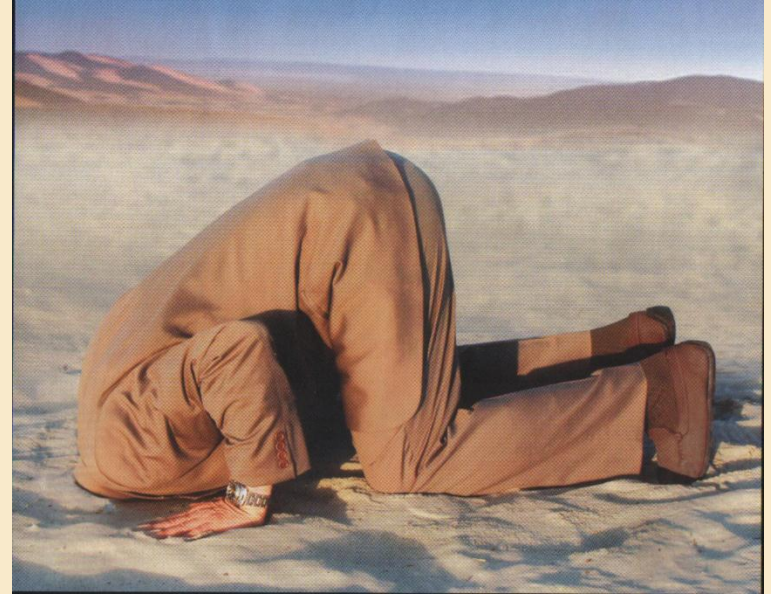
**Automated sentiment**



**Digital media**



**The Barcelona Principles**

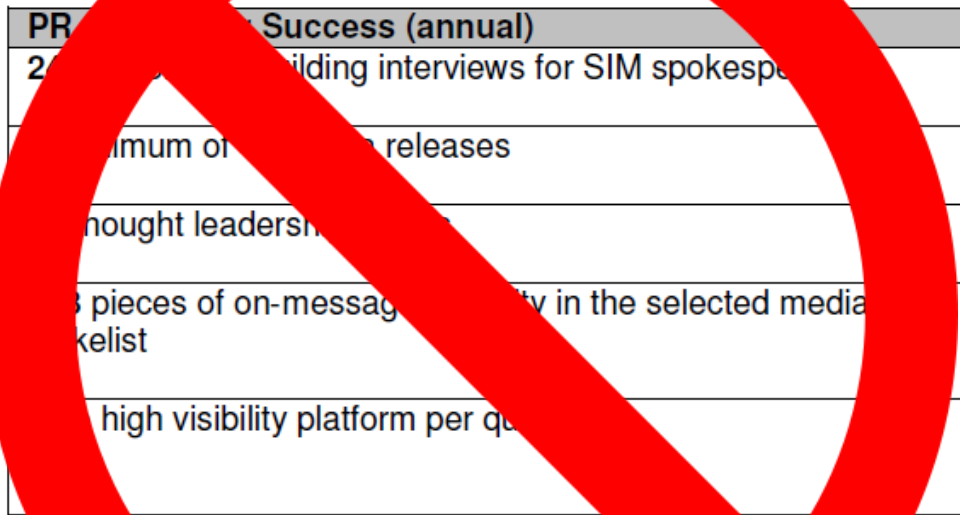


# The Barcelona Principles

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

# The Old Way

## EVALUATION



PR Success (annual)	Delivered
27 building interviews for SIM spokespeople	132 interviews
Maximum of 10 releases	51 generated
Brought leadership to the attention of the media	25 generated or edited and placed
35 pieces of on-message media coverage in the selected media outlet	350 delivered
High visibility platform per quarter	Investor confidence index delivered an average of 13 media pieces each month


## Media results


- Delivered 350 pieces of on-message media coverage (273 owed).
- Media coverage totalled R 5,609,741(AVE 1:1).

# Implications

 Focus on quality improvement, not getting a gold star

 Focus on outcomes, not activities

 AVEs and other false measures are no longer acceptable

 Impact on

 Agencies

 Awards

 Vendors



EVALUATION

PR	Success (annual)	Delivered
2	Building interviews for SIM spokes	132 interviews
	Minimum of releases	51 generated
	Thought leadership	25 generated or edited and placed
	3 pieces of on-message media in the selected media channel list	350 delivered
	high visibility platform per quarter	Investor confidence index delivered an average of 13 media pieces each month

- Media results
- Delivered 350 pieces of on-message media coverage (273 owed).
  - Media coverage totalled R 5,609,741(AVE 1:1).

# The Alternatives



# 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 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



# Customer Touch Points





# Compared to other options, PR is more efficient



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




Web analytics are inherently flawed because they don't consider the right variables.





# 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

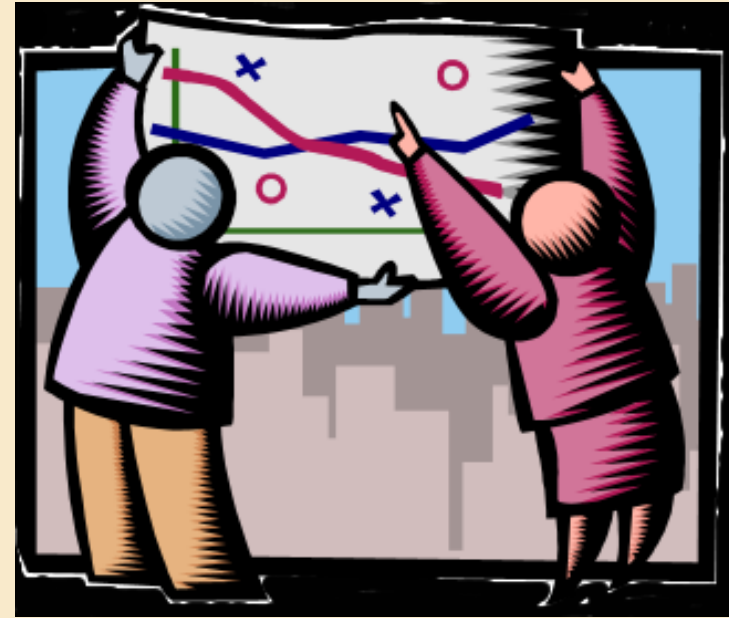
 Higher productivity

 Greater efficiency



# 6 Steps to the perfect measurement system

1. Define the “R” in your ROI
2. Define the “I” = investment
3. Establish benchmarks
4. Define your metrics
5. Pick a tool
6. Figure out what it means,  
change and measure again



# KPIs lead to goals



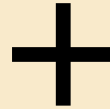
Start

## Metrics

Exposure  
Friends  
Followers



Engagement



\$\$\$  
raised



Goal

# How to start the process

**Step 1: Audit existing measurement systems, programs and priorities**

**Step 2: Survey all involved in process**

**Step 3: From the survey, determine KPIs, Benchmarks**

**Step 3: Meetings to air differences and achieve consensus**

**Step 4: Design dashboard, test, refine and implement**



# Step 1: Define the “R” = 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

# Measurable Goals for Marketing Today

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



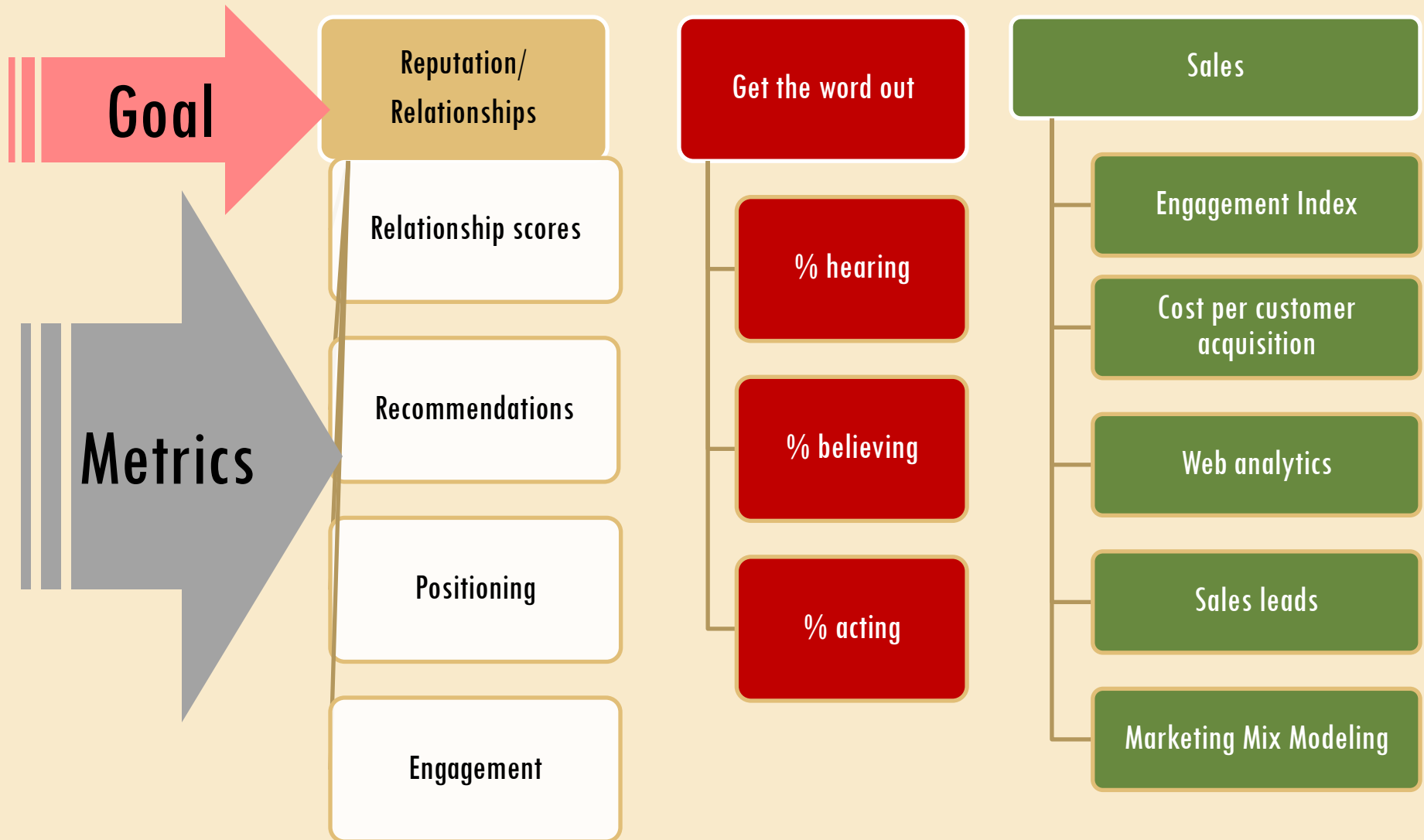
To fix this



Or get to this



# Goals drive metrics, metrics drive results



# Don't ask me, ask your stakeholders



Questions you need to know the answer

to:

- ☉ What keeps them up at night?
- ☉ What are they currently seeing?
- ☉ Where do they go for information?
- ☉ What influences their decisions?
- ☉ What's important to them?
- ☉ What do you want them to know?



# Step 2: Agree upon the “I”



**Investment includes:**

- ☉ Internal resources
- ☉ External resources: Agency, Consultants etc.
- ☉ Senior Management time
- ☉ Opportunity costs

# Step 3: Establish benchmarks



A peer group



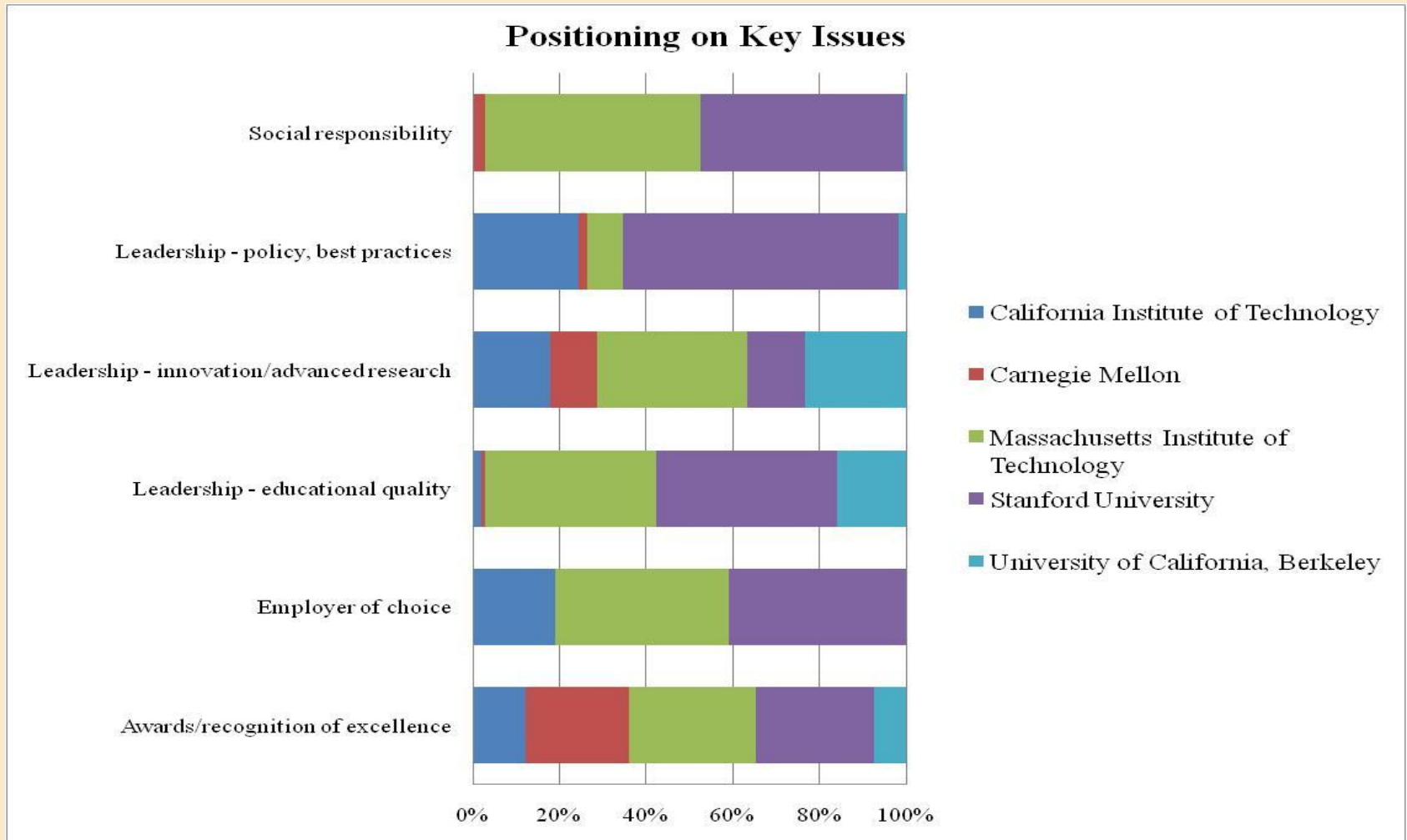
Control groups vs. other departments



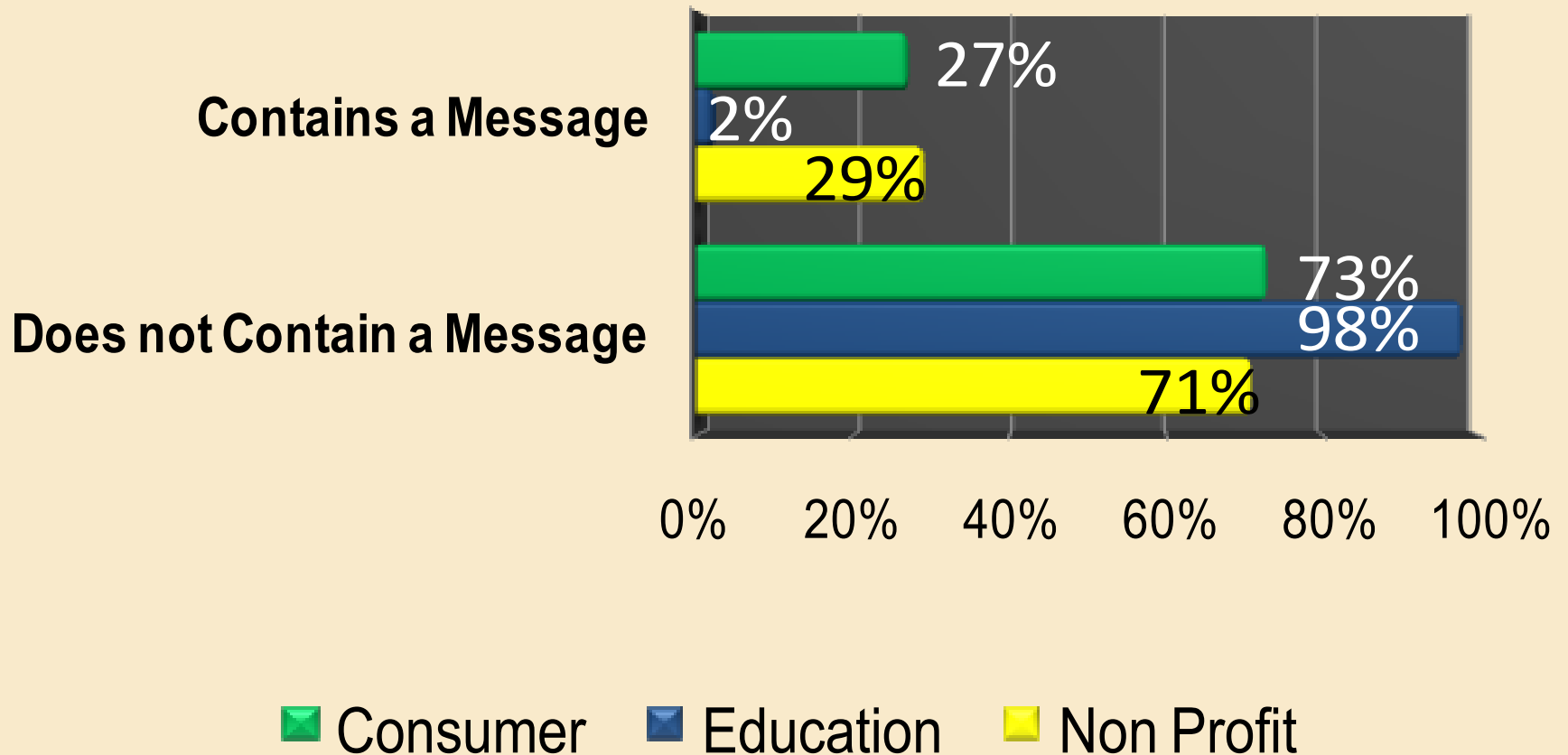
Over time



# 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

# 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

# Typical elements in an OCS



## Tonality

- Positive
- Negative
- Neutral
- Balanced



What messages were communicated



How you're positioned on key issues such as trust, competence, innovation



Dominance/Prominence/Visibility



Authority/Influence of author



Subject of the article/posting



Who was quoted?



Products, events, initiatives, battles mentioned



The Kick Butt Index

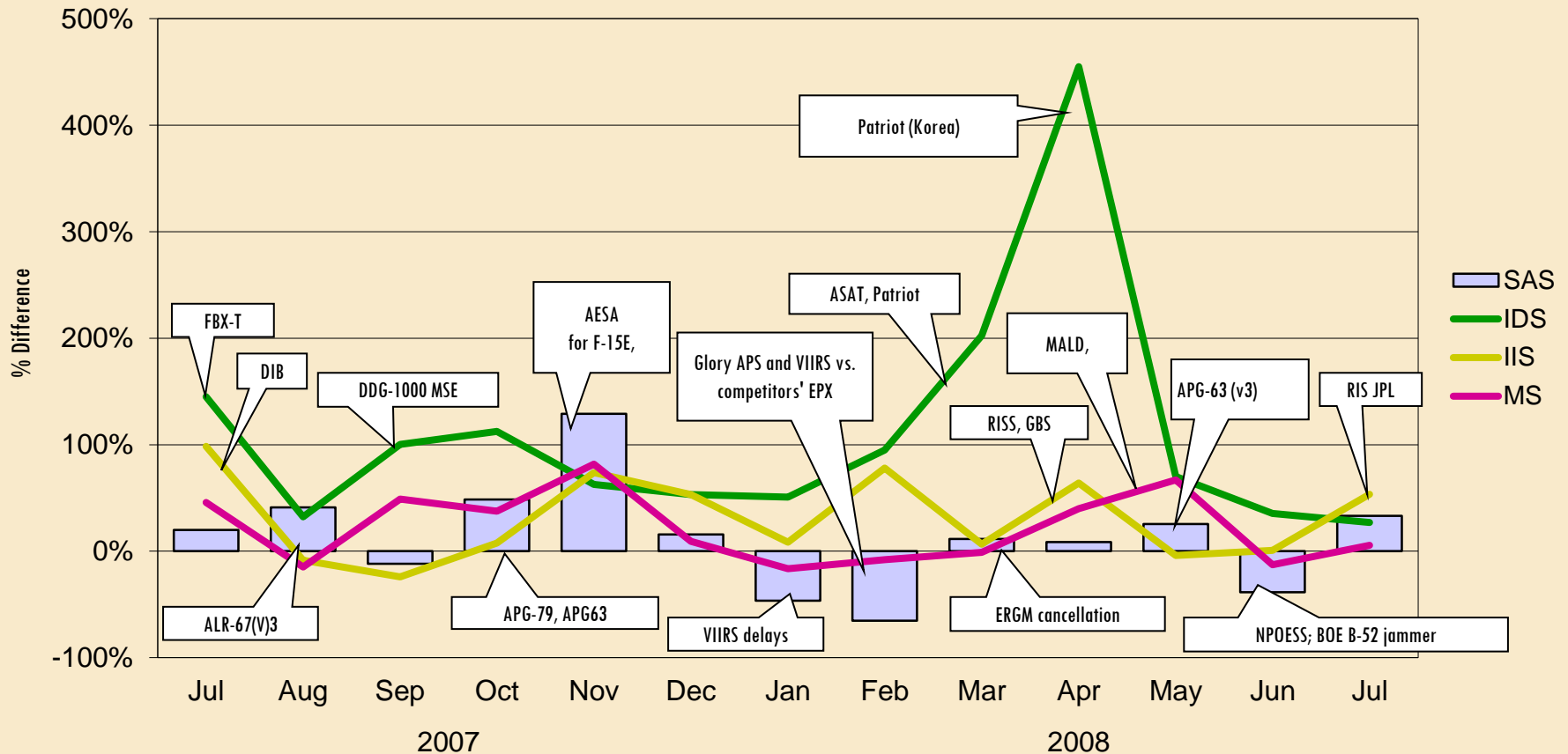
# How to calculate your KBI

-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
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

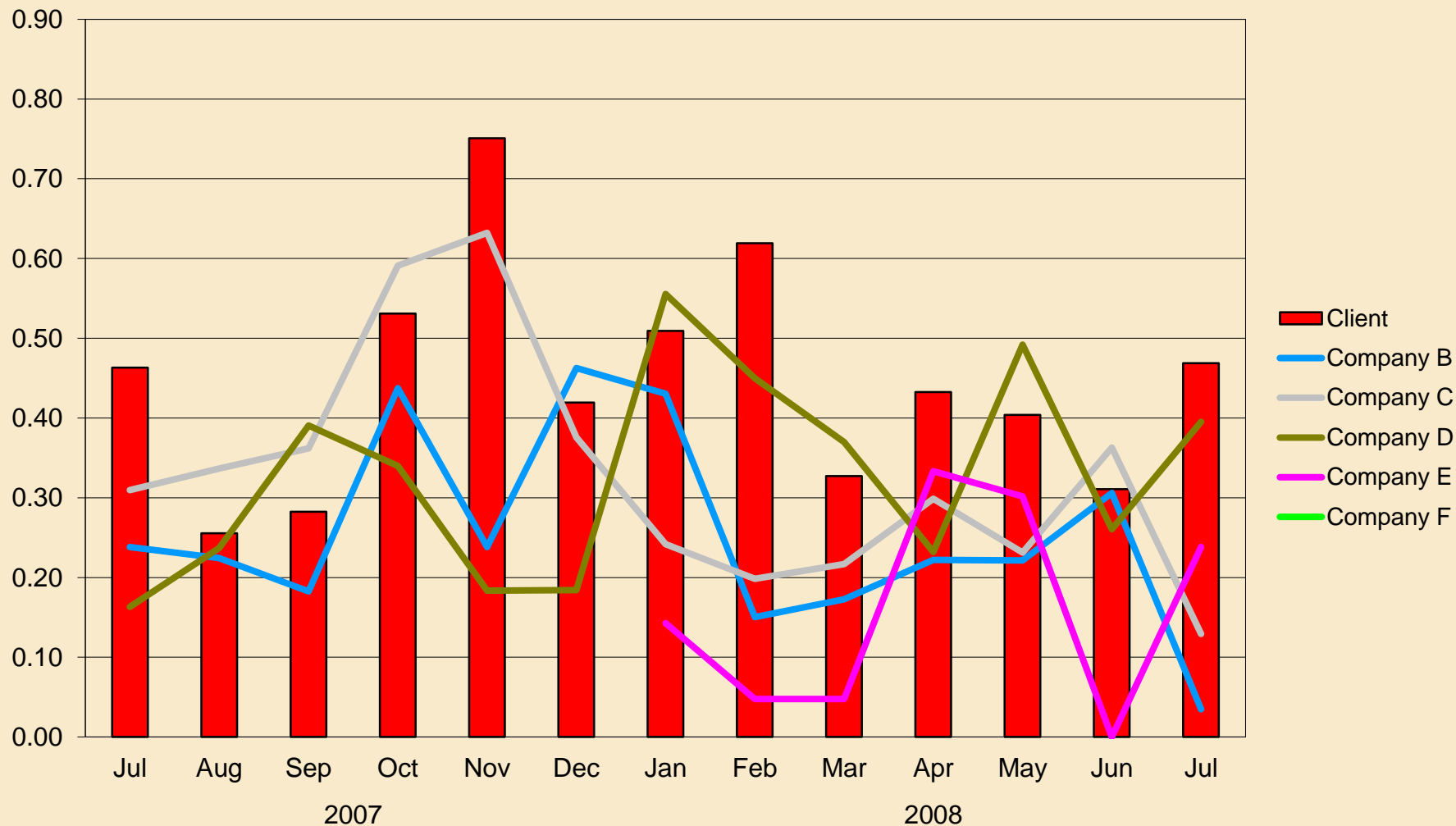
## Kick Butt Score Relative to other LOBs

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



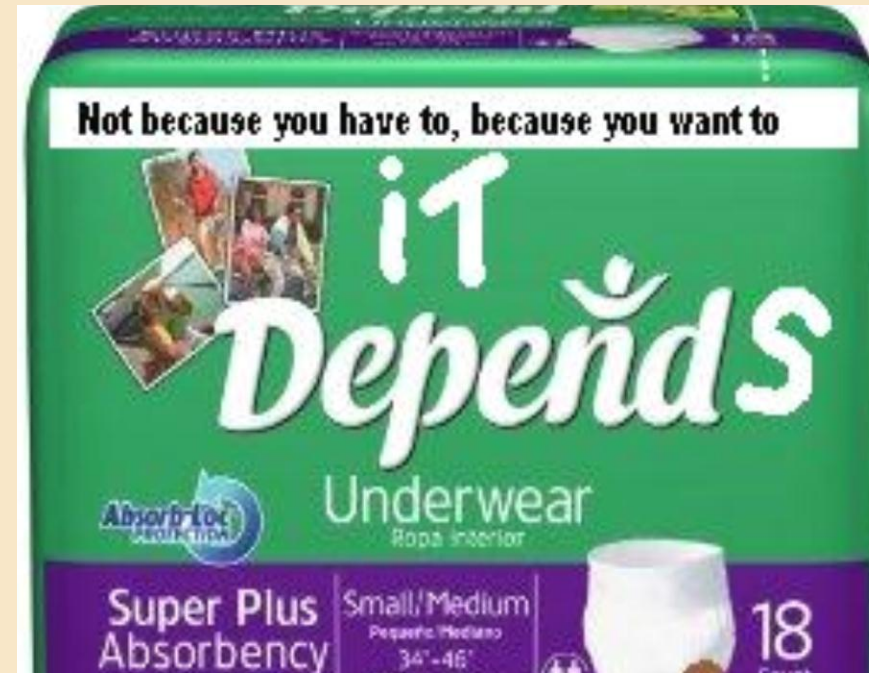
# Trend against competition with KBI

KBI by Company



# Step 5: Pick the right measurement tool?

- 📊 If you want to measure messaging, positioning, themes, sentiment: **Content analysis**
- 📊 If you want to measure awareness, perception, preference: **Survey research**
- 📊 If you want to measure engagement, action, purchase: **Web analytics**



# 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 —

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



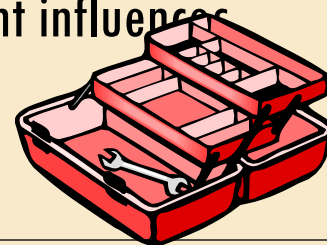
## Content sources:

- 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



# Cautionary Tales



Google Gamers



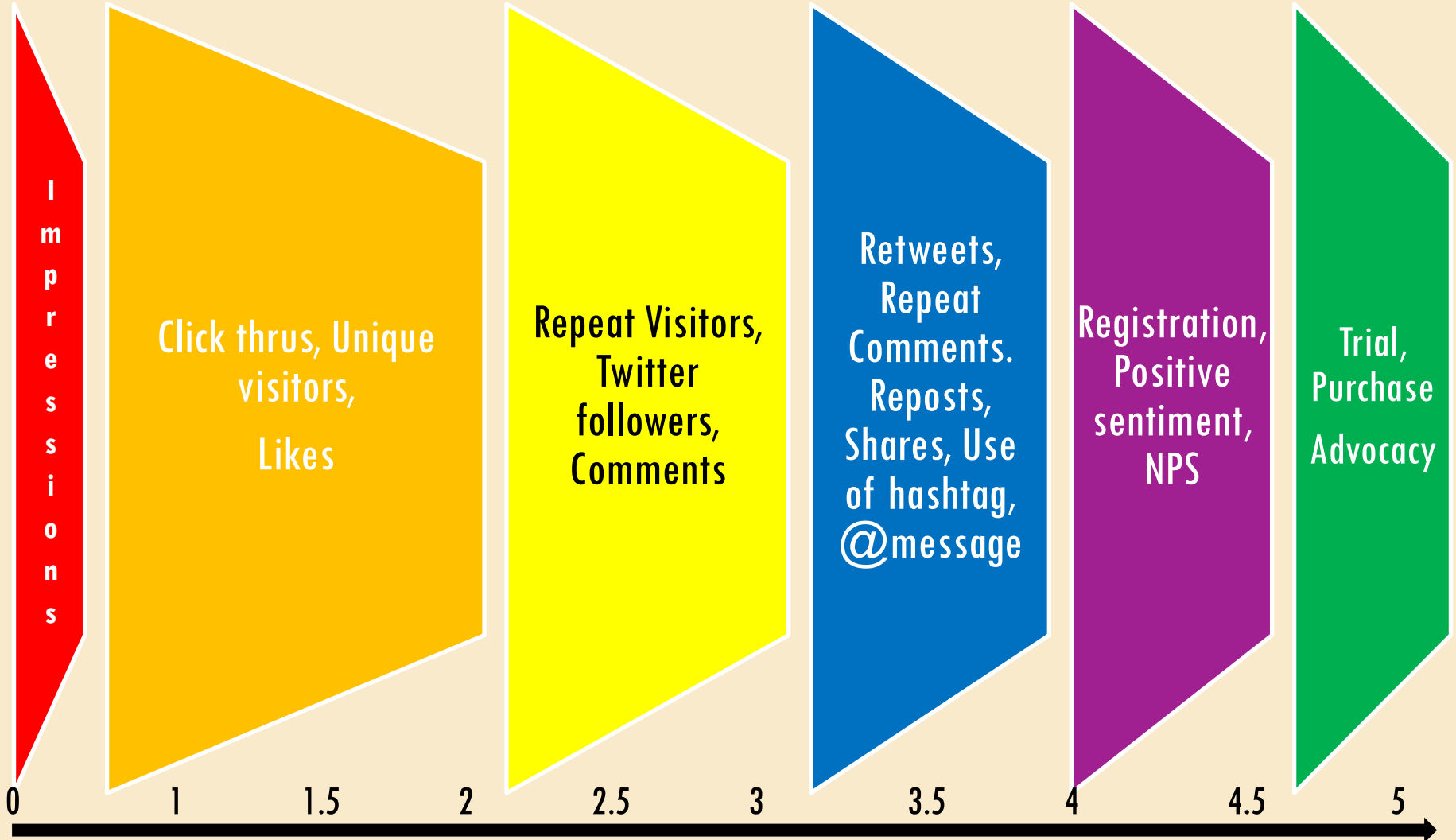
“Not” lists



The better we get at managing the flow, the better the spammers get at pushing stuff at us



# The Phases of Engagement



# 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



# Measurement of places you control

Location	Metric
Corporate Blogs	% increase in repeat visits, ration of posts to comments
Facebook Page	Length of threads, % increase in likes , tone of comments
Twitter Account	Retweets, Use of hashtags
YouTube Channel	Ratings & Comments
Foursquare	Coupon redemptions, tone of shouts

# Tool #2: Relationship Measurement



## Surveys



Relationship surveys



NPS (Net Promoter Score)



## 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



## Step 6: Tying it all together: Research without insight is just trivia



Find your “Abby”



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

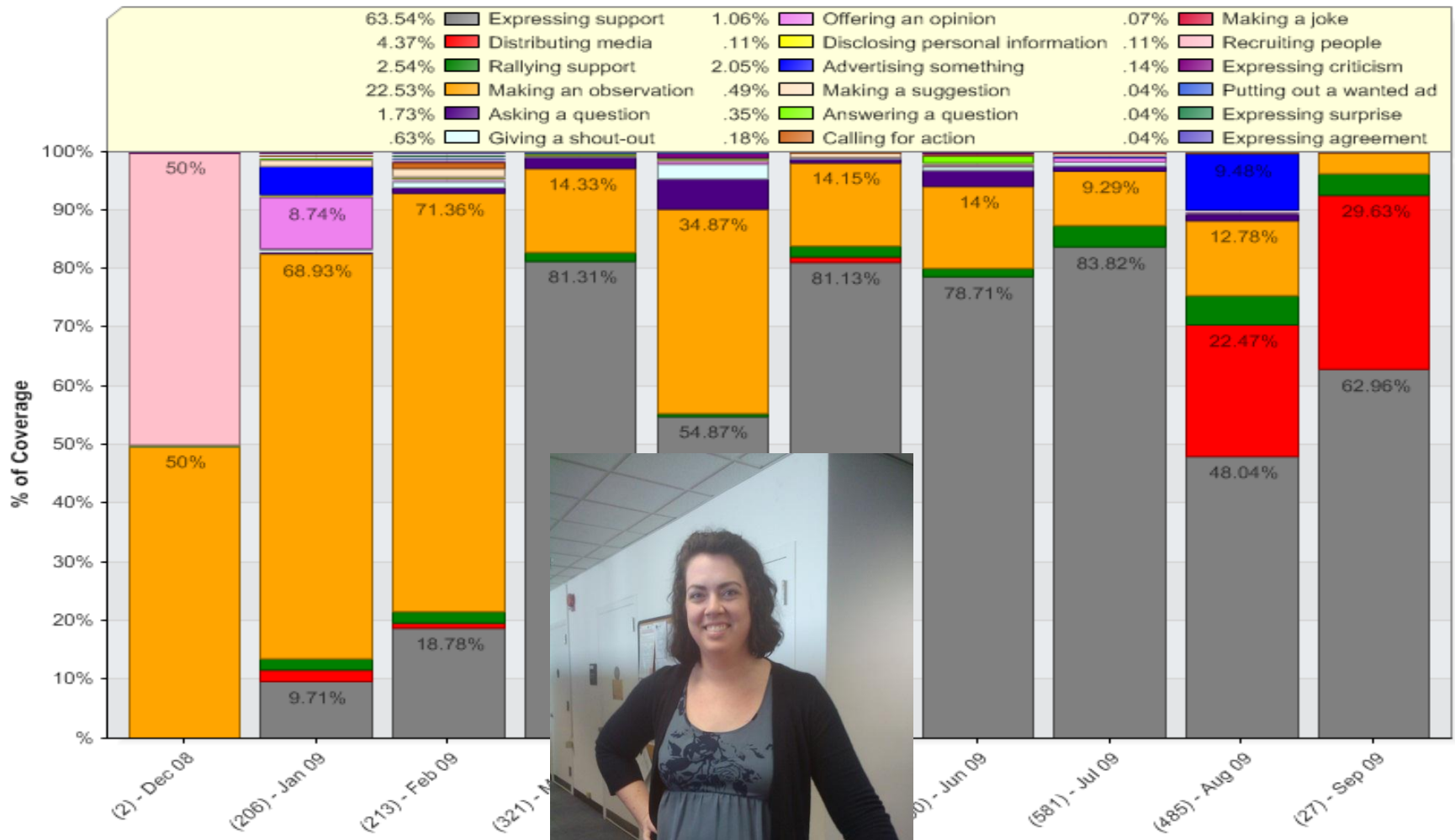
Manage **T**iming

**I**nfluence decisions

Get **O**utside help

Just Say **N**o

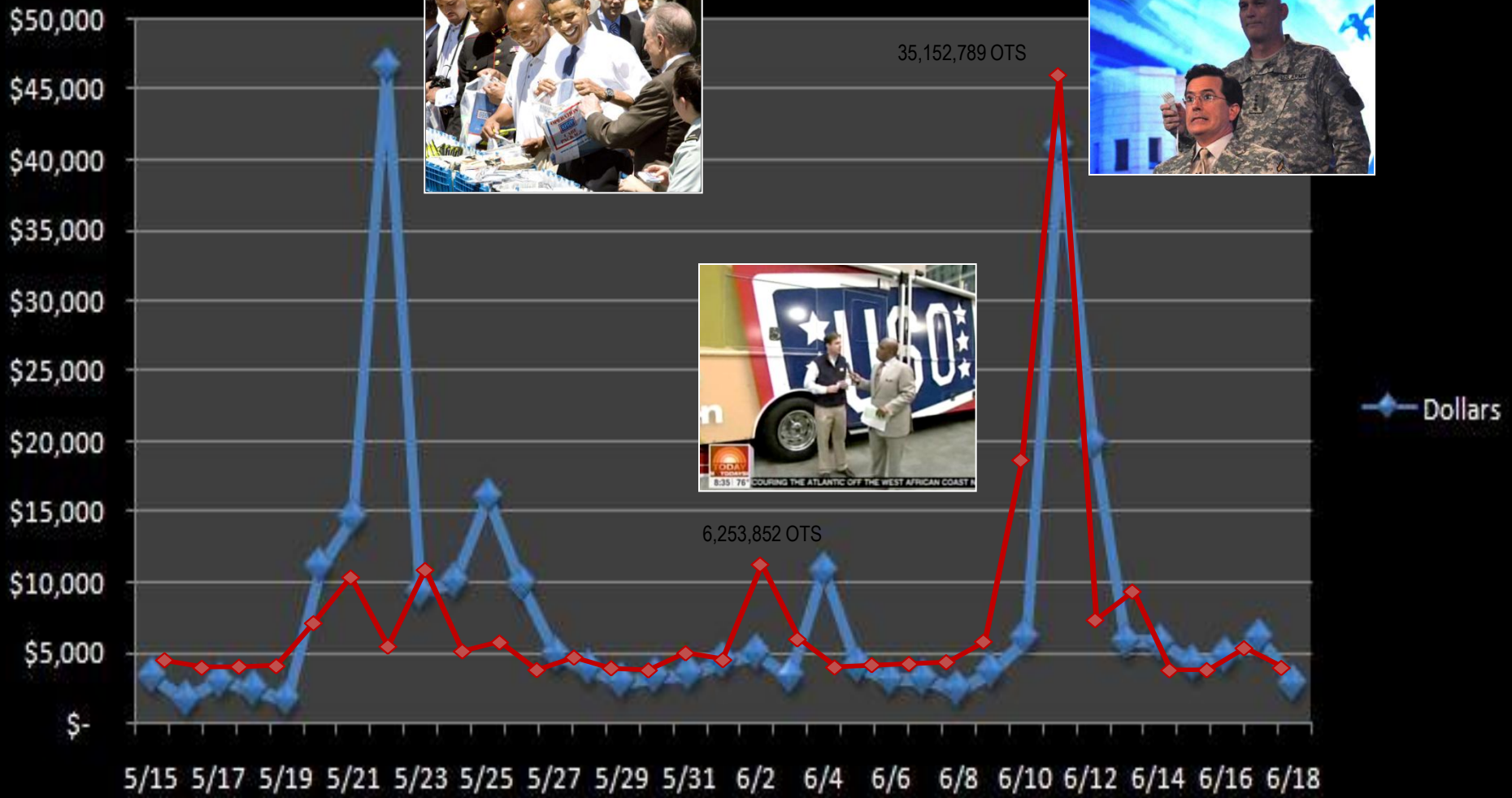
# The impact of Emily



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



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