



Media Intelligence

Public Relations ROI Measurement eBook

# **HOW TO MEASURE ROI IN PR:** In Pursuit of a Better Framework



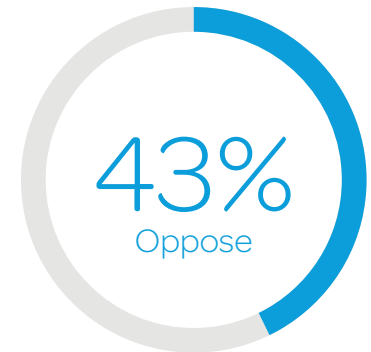
Since the inception of the profession, public relations practitioners have wrestled with one vexing challenge above all others: How do we measure the value of our work?

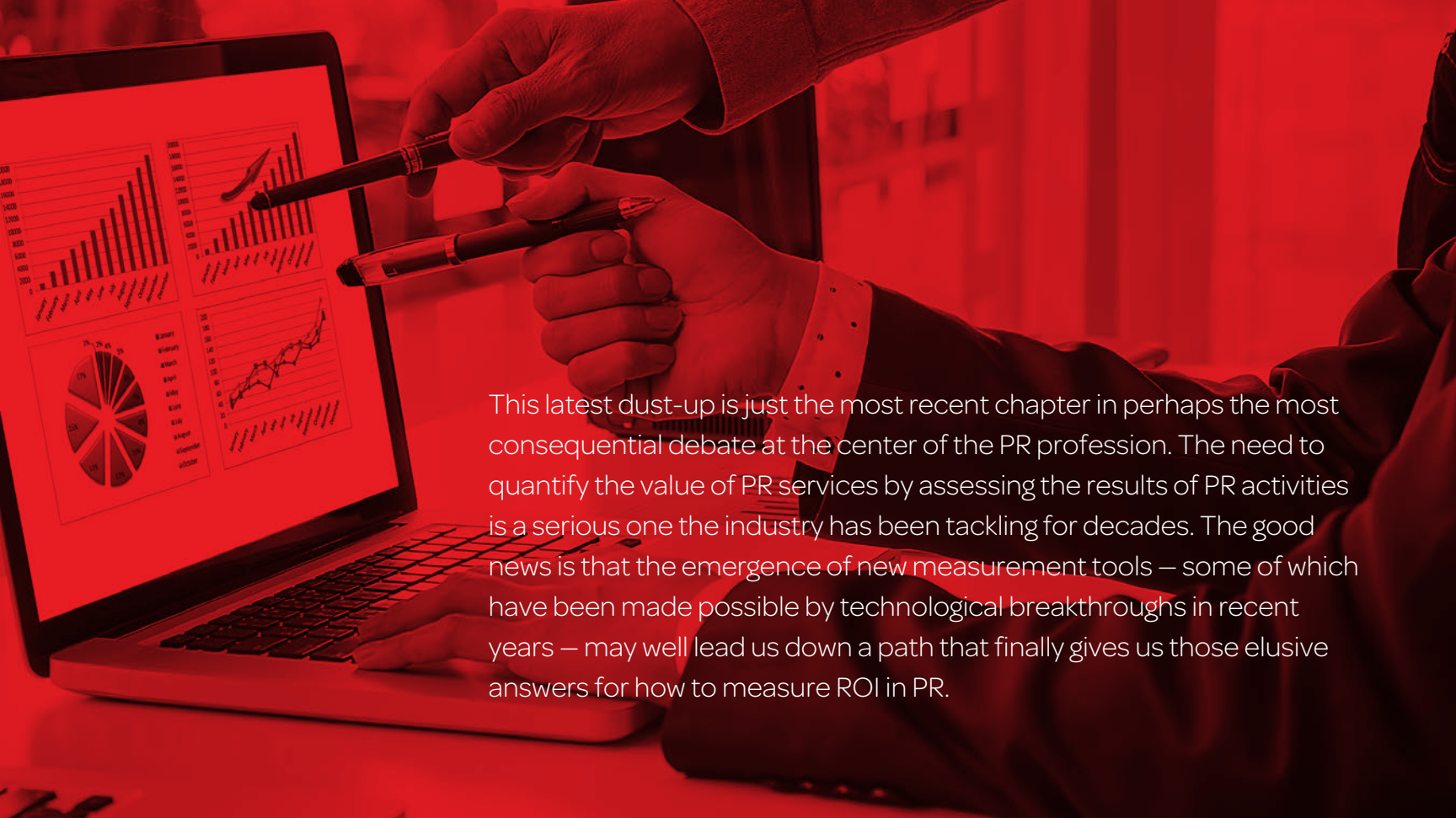
The International Association for the Measurement and Evaluation of Communication (AMEC) threw down the latest challenge in this time-honored debate at its annual summit in Bangkok in May 2017. AMEC announced the launch of a global campaign to “eradicate” the use of Advertising Equivalency Value (AVE) as an acceptable metric in the PR industry and its international board issued a clarion call to communications professionals worldwide to join them in this effort against one of the industry’s oldest measurement tools.

The reactions to AMEC’s bold initiative have been mixed. The UK-based Chartered Institute of Public Relations (CIPR) not only welcomed the attempt to eliminate AVE, but also announced its own plan for a “ban on the use of AVEs by CIPR members.” Meanwhile, a June 2017 survey by Crescendo Consulting found a major split within the industry about bans on AVE use, with 44 percent of PR professionals supporting the ban and 43 percent opposing it (13 percent had no preference).

## Ban on use of AVEs

(Advertising Value Equivalency)





This latest dust-up is just the most recent chapter in perhaps the most consequential debate at the center of the PR profession. The need to quantify the value of PR services by assessing the results of PR activities is a serious one the industry has been tackling for decades. The good news is that the emergence of new measurement tools – some of which have been made possible by technological breakthroughs in recent years – may well lead us down a path that finally gives us those elusive answers for how to measure ROI in PR.

# The Measurement Challenge

Some researchers suggest that the earliest signs of the PR measurement challenge date back to the late-18th century, when the first examples of systematic media monitoring can be found. As PR became more widely recognized as a unique profession, the challenge of assessing the value of such work continued to grow. Professor Tom Watson, from The Media School at Bournemouth University in the UK, provides a comprehensive history of the evolution of PR measurement that starts in the early-1900s and traces the various research efforts to evaluate the impact of PR over the next 100 years.

In the early-1990s, the Institute for Public Relations (IPR) – under the leadership of the legendary Jack Felton – formed the IPR Measurement Commission to address the chronic challenge of measuring the value of PR services. Since that time, the Commission has conducted research, convened symposia and studied a wide range of measurement issues to help educate members of the profession. The IPR Measurement Commission continues its important work today, under the leadership of Chair Mark Weiner, CEO of PRIME Research and a leading voice in the AVEs debate, and Co-Chair Thomas Stoeckle, head of strategic business development for LexisNexis.

“Over the last decade, the ROI conversation has been ratcheted up to new heights in the PR profession,” said Stoeckle. “The explosion of new technologies has made it possible for the creation of new statistical models for measuring value in all areas of marketing, including PR. This is an important challenge for PR professionals today because traditional borders between the roles of Advertising, Marketing and PR continue to blur in the digital age – and unfortunately, PR has lagged behind the other disciplines with respect to how we track ROI.”

For example, does media coverage result in increased sales? Does an online story drive traffic to the website? Does social media buzz enhance brand recognition? These kinds of questions were obviously never contemplated in the early days of media monitoring, but they are now front and center in executive dashboard reports and marketing presentations worldwide. As a result, the PR measurement debate has been ignited in the last decade with an energy level the profession has never seen before.

The first major shoe to drop in the recent debate occurred in 2010. That June, PR executives from 33 countries gathered in Barcelona and established the seven core Barcelona Principles:

**Importance of goal setting and measurement**

**Measuring the effect on outcomes is preferred to measuring outputs**

**The effect on business results can and should be measured where possible**

**Media measurement requires quantity and quality**

**AVEs are not the value of public relations**

**Social media can and should be measured**

**Transparency and replicability are paramount to sound measurement**

In 2011, the European Summit in Measurement convened in Lisbon. PR thought leaders there agreed that it was a “top priority” to create an operational definition of ROI for purposes of measuring PR activities. Their idea was to try to assess the value of PR in terms of financial outcomes.





In 2012, some of the profession's leading thinkers met at the International Public Research Conference in Miami to tackle the ROI challenge (for what would become known in the industry as "The Miami Debates"), framing the session about measurement and evaluation of communications as "an enduring discussion in public relations research and practice." Alas, the panel agreed no consensus existed among PR professionals for how to define ROI in the industry, "which handicaps the profession's desire to develop a meaningful, reasonable and quantifiable . . . methodology."

In 2015, AMEC revisited and updated the 2010 principles with the release of "Barcelona Principles 2.0." David Rockland, Ketchum partner and past chair of AMEC, chaired the group that developed Barcelona Principles 2.0 and said the original set of principles focused more on what not to do while the updated ones provided more guidance on what to do. One consistent thread between the two versions, however, is AMEC's steadfast opposition to AVEs as an ROI metric.

# Moving Away from AVEs

The debate intensified over the next few years, culminating in the 2017 “eradicate AVEs” declarations from AMEC and CIPR. The International Communications Consultancy Organisation (ICCO) and the Public Relations Consultants Association (PRCA) were the first PR trade associations to support the AMEC campaign, issuing their own endorsements of the policy in the summer of 2017.

At the heart of the conversation is a strong conviction among many in the field that the historical model of measuring ROI in PR with narrow metrics such as AVEs creates a number of “serious practical and ethical flaws,” in the words of Jim MacNamara, Ph.D., professor of public communication at the University of Technology Sydney and one of the most vocal critics of AVEs.

MacNamara and other industry thought leaders argue that using advertising value equivalencies to measure the value of PR is flawed for multiple reasons, but fundamentally it’s because the metric is both invalid and irrelevant. Invalid because they equate purported cost to value, and do so with a hypothetical



cost basis for ad buys that would never have been contemplated. Irrelevant because advertising and editorial news coverage are completely different things and therefore can never be equivalent.

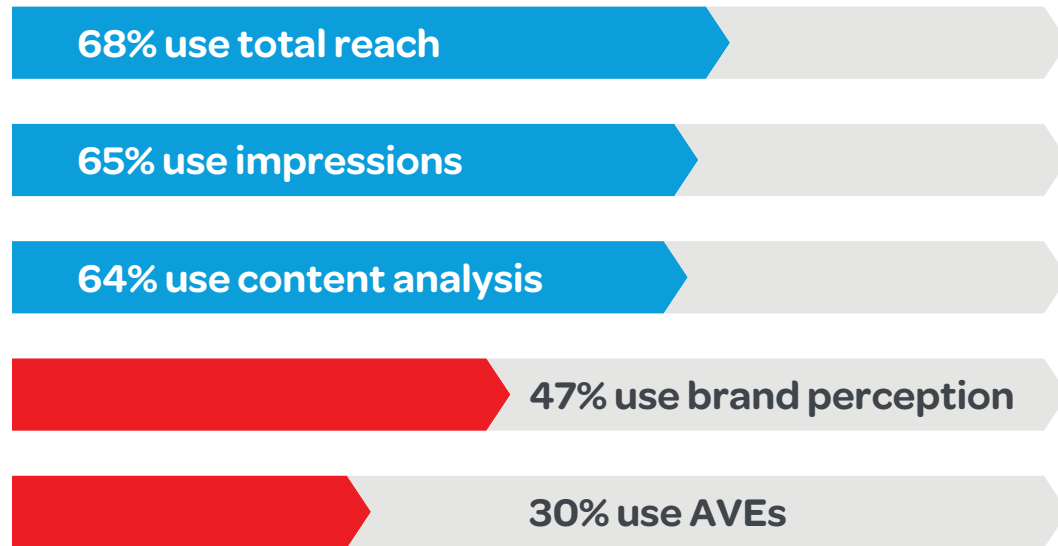
To be clear, some in the profession defend AVEs as the main metric to quantify “earned” media coverage in financial terms that connects with senior executives. And adding to the slow pace of change in the industry is a bit of inertia that comes from clients themselves. “Some clients – maybe not many in the developed Western markets – will continue to ask for cheap, quick, and meaningless vanity metrics like AVEs or likes or retweets,” said Sam Knowles, author and founder of consulting firm Insight Agents.

But the list of AVE proponents is shrinking by the year as the business world evolves into taking a more disciplined approach for determining results and assessing value to the enterprise.



In fact, the PR value equation was a central component of the “2016 Global Communications Report,” published by the University of Southern California Annenberg Center for Public Relations, in partnership with The Holmes Report. The study found that PR agencies and their clients “are still alarmingly focused” on output metrics rather than focused on communications outcomes.

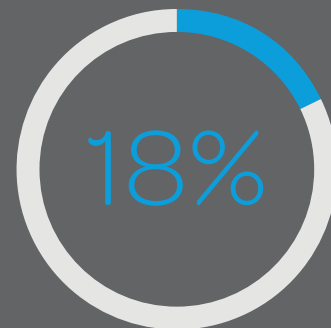
For example, they found that, of those surveyed:





Still, industry observers note that some analysis measures more closely related to outcomes – such as content analysis and brand perception – are gaining in popularity within the profession. And with at least one survey showing that client demand for AVEs has dropped from 80 percent in 2010 to just 18 percent in 2017, it seems reasonable to project that we are headed to a brave new world for measuring ROI in PR.

“Instead of using spurious AVEs,” says MacNamara, “the PR industry has available to it a range of research methodologies which can measure the effectiveness and outcomes of its work, and these should be utilized as part of professional standards.”



## In Pursuit of a Better Framework

A better framework for measuring media coverage advocated by some PR industry leaders is to weave together quantitative and qualitative content analysis. This approach forces us to consider important questions more closely tied to affecting communications outcomes, such as: Has the brand achieved visibility in relevant media outlets? How prominently is the brand positioned? Are the key messages being communicated? How favorably or unfavorably is the brand being depicted?

This type of content analysis moves beyond simplistic data derived from AVE-style calculations and toward a framework that considers a number of analytical variables. For example, MacNamara recommends the following 10 content analysis measures:

1. Media importance (i.e., audience reach).
2. Article placement (e.g., front page, prominent page or down the back).
3. Positioning of coverage (e.g., headline, prominent or passing mention).

4. Size of the article.
5. Share of voice, compared with competitors or other sources.
6. Illustrations (e.g., photos or logos).
7. Issues reported.
8. Messages communicated in story.
9. Sources quoted and cited.
10. Tone of story.



At the 2017 AMEC Summit in Bangkok, MacNamara also stressed the importance of considering the impact such stories have on the greater public community as well. He noted that general public perception is an important element that is often neglected; if companies are solely serving their clients and/or stakeholders, and ignoring the greater public's perception, they will surely be chastised for it at some point.

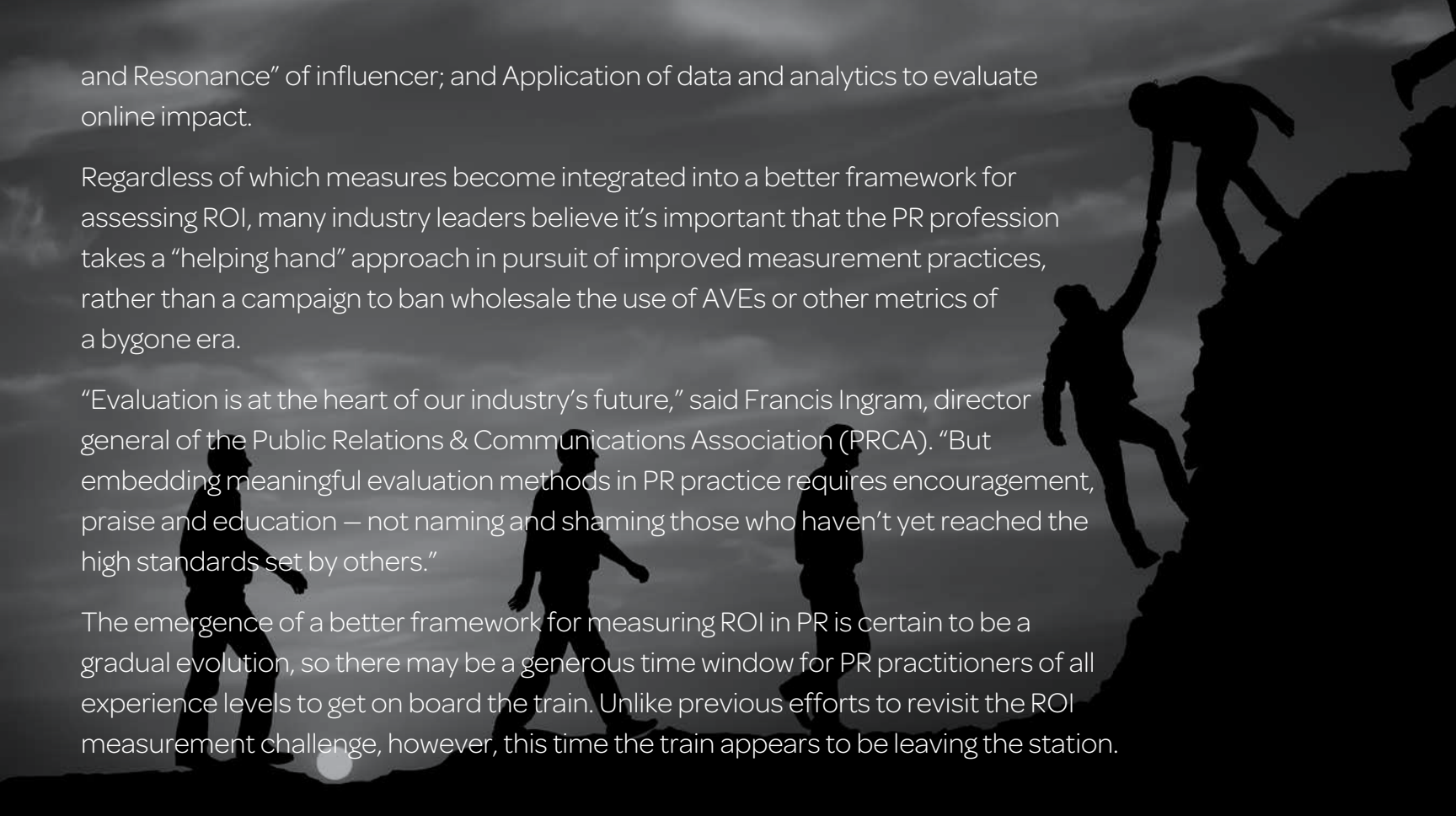


Another emerging framework involves measuring the value of influencer marketing in PR – the modern trend of paying individuals with a high reach and strong network on social channels to promote a brand. This is an emerging strategy because influencers help to build trust in brands at a time when trust in mainstream news media is at an all-time low. In fact, the number of brands leveraging influencer marketing as part of their PR programs is expected to reach 75 percent by the end of 2017, according to Forbes.

“The importance of digital influencers in PR is part of a wider industry trend toward the integration and consolidation of social and digital channels,” said Stoeckle. “As customer journeys become more complex, from initial awareness to social discovery and then purchase consideration, influencers are emerging as crucial instruments for driving audience engagement.”

It is especially important for the PR industry to lead the way in this evolving strategy because influencer tracking is primarily digital, which makes it easier for PR professionals to track and measure ROI. A new framework for measuring digital influencer marketing in PR, which we have adopted at LexisNexis, might involve: Assessment of “Paid, Earned, Shared and Owned” media coverage; Analysis of “Reach, Relevance





and Resonance” of influencer; and Application of data and analytics to evaluate online impact.

Regardless of which measures become integrated into a better framework for assessing ROI, many industry leaders believe it’s important that the PR profession takes a “helping hand” approach in pursuit of improved measurement practices, rather than a campaign to ban wholesale the use of AVEs or other metrics of a bygone era.

“Evaluation is at the heart of our industry’s future,” said Francis Ingram, director general of the Public Relations & Communications Association (PRCA). “But embedding meaningful evaluation methods in PR practice requires encouragement, praise and education – not naming and shaming those who haven’t yet reached the high standards set by others.”

The emergence of a better framework for measuring ROI in PR is certain to be a gradual evolution, so there may be a generous time window for PR practitioners of all experience levels to get on board the train. Unlike previous efforts to revisit the ROI measurement challenge, however, this time the train appears to be leaving the station.

# Developing New Tools for Measuring ROI

LexisNexis is leading the way with the development of products and services that assist PR professionals in their efforts to measure results more accurately and thereby evaluate ROI more credibly than in the past. LexisNexis Media Intelligence solutions help PR practitioners cut through the noise to uncover the information that really matters in order to assess the value of a strategic communications program. Their tools allow communicators to learn what is being said about their brands, benchmark against key peers, and gain powerful insights about where to shape the direction of future PR activities.

For example, LexisNexis Newsdesk enables PR professionals to search, analyze, monitor and share market intelligence — all within a single tool. Newsdesk provides a complete view of market developments, in near real time, by monitoring worldwide media coverage, from international business sources and influential blogs to regional news sites and local social media sources.

This tool facilitates the monitoring, measurement and analysis of media coverage, and enhances dashboard reports with data and insights from the LexisNexis global media index. Users have access to a customizable

portal for tracking companies, markets and business events, as well as a powerful collaboration environment for conducting ROI research projects across teams with defined user groups. In addition to its comprehensive monitoring of social media, industry forums and micro-blogs, the tool also is a secret weapon for creating research briefs, powered by up-to-date company news that contains national and international media perspectives.

Newsdesk is a breakthrough tool because it puts the power in the hands of the PR professional to:



Monitor  
emerging issues  
and trends pro-  
actively



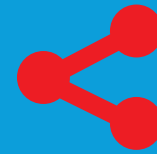
Benchmark  
their brands  
against  
competitors



Measure  
campaign  
successes



Identify  
key  
influencers



Share copyright-  
compliant news  
and information



Integrate content,  
including live  
interactive charts  
and visualizations



This level of business intelligence helps PR teams connect the results of their services to business outcomes – as opposed to questionable raw data about publicity – and therefore better measure the value of PR to the business.

LexisNexis also maintains a full team of expert analysts, the Media Intelligence Research & Analytics group, who work on customer analysis projects and evaluation reports. The analysts recognize there are aspects of technology that are not as effective as human beings can be, so they seek to integrate the use of technology such as artificial intelligence and data science with the elements of human judgment and discernment.



# Bridging the Gap

While many agree with the progress that has been made to date in establishing a successful framework, that doesn't mean everyone is doing it. There's an obvious need to bridge the gap between what the best practices are and what is feasible to achieve with limited resources. While there may not be one perfect answer, there are some helpful tips to keep in mind while on this measurement journey:

- Investing in successful measurement tactics isn't just to calculate ROI, it's an essential learning step toward improving your future communications.
- Start small – even just experimenting with a deeper measurement framework on one campaign can be an enlightening exercise, and can help you make the case for more resources in future efforts.
- Follow a three-step process: **1.** Design communications strategies and tactics to support your organization's overall objects; **2.** Set specific and measurable goals in relation to these strategies and tactic; and **3.** Measure progress toward achieving these communications goals relative to the progress the organization is making toward achieving its overall objectives.

- Employ outside help when needed – expert analysis teams can help you dig into your automated results when you don't have the expertise or bandwidth to do it yourself.
- When relying on automated metrics, use a credible tool that is backed by data science and has a track record of successful use by your trusted colleagues.

## Conclusion

As we work toward a new ROI framework, it's important to take a step back and think of the measurement challenge in a context that does not involve trying to “spin” a campaign's results, justify a program's budget or impress a senior executive.

“Our purpose should not be to try to prove the value of our profession or worth compared to other organizational departments,” said Tina McCorkindale, Ph.D., president and chief executive officer of the IPR. “That should not be the focus. Rather, we should use these tools to make adjustments, do a better job and help us to set benchmarks for our goals and objectives.”

It's also becoming increasingly important in a world of "fake news" and "alternative facts" to ensure that PR professionals use tools that effectively vet and qualify content. This requires sophisticated technology under the direction of human analysis if one is to properly analyze links and news sources. LexisNexis' Stoeckle called this "the balance between algorithm and human touch" in the program for the World Media Intelligence Congress in 2017.

The need to quantify the value of PR services by measuring a company's ROI has been a chronic challenge for the profession. Over the past decade, this industry conversation has raged into a global debate that has all but displaced traditional metrics such as AVEs, in search of new metrics that are more directly tied to business outcomes.

The good news is that the emergence of new measurement tools – powered by sophisticated technology and next-generation technology-enabled services – may well lead us down a path that finally gives us those elusive answers for how to credibly measure ROI in PR.



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