Measuring the intangible

Tal Donahue looks at measuring and evaluating PR success.

This article originally appeared in *PM* magazine. For further details go to www.pmforum.co.uk

How long is a piece of string? It's a frustrating answer to a question PR professionals grapple with on an almost daily basis – the extent to which PR results can be effectively measured.

The discipline of PR often seems ineffable. The phrase 'an art not a science' is rolled out frequently, often as a precursor to the delivery of some hard truths about the potential success (or otherwise) of an idea or campaign.

Indeed, some would go so far as to say that PR can't be measured at all. It's either too subjective or too expensive to do properly.

Clearly, this isn't particularly helpful – especially for marketing teams who are often stretched thinly and working hard to demonstrate ROI to boards / senior leadership teams. This is arguably an even more pressing issue in professional services than in, say, B2C industries which are able to track product sales or store footfall as a result of marketing campaigns.

On the one hand it has never been more important for firms to demonstrate their expertise through their thought leadership, including via PR, and capture share of voice and mind from their rivals. On the other hand, in an industry facing significant economic challenges, including disruptive competitors, evolving client expectations and the need to do far more for less (across the board), realising tangible value is key.

The good news is that, in fact, PR can be measured and evaluated.

Reputation as an asset

But it is helpful to take a step back and think about why it should be measured at all. The discipline of PR is frequently (wrongly) equated to media relations – ie. getting into, or staying out of, the press. Media relations, though, is just one of a number of potential tactics deployed as part of a well-rounded Public Relations campaign.

> *Measuring success only on earned media outcomes risks undermining the broader value that PR delivers.*

Fundamentally, PR can be defined as the business of reputation. Proactively seeking to enhance a brand's reputation amongst its key audiences and stakeholders, or working to mitigate any risk of reputational damage in times of crisis (what we at Infinite Global call 'special situations').

The importance of reputation is generally widely acknowledged by business leaders. According to AON's 2019 *Global Risk Management* survey, 'damage to reputation / brand' emerged as number two in its top 10 risks identified by respondents. Interestingly, 'reputation / brand damage' ranked as the top risk by respondents from the professional services industry.

In fact, it is actually easier to extrapolate financial impact of reputation in terms of losses as a result of a crisis (take, say, share price dips after negative media coverage). Indeed, there are now reputation insurance products available on the market, implying that reputation does have a price. But measuring value created by the quantum of losses incurred is questionable economics, and doesn't get us very far when it comes to measuring the value that positive reputation building work adds.

There have been some attempts to affix an intelligible value to intangibles such as reputation. According to the *Reputation Dividend Report*, corporate reputations account for 35.3% of the market capitalisation of the world's 15 leading equity market indices – equating to $16.77 trillion of shareholder value.

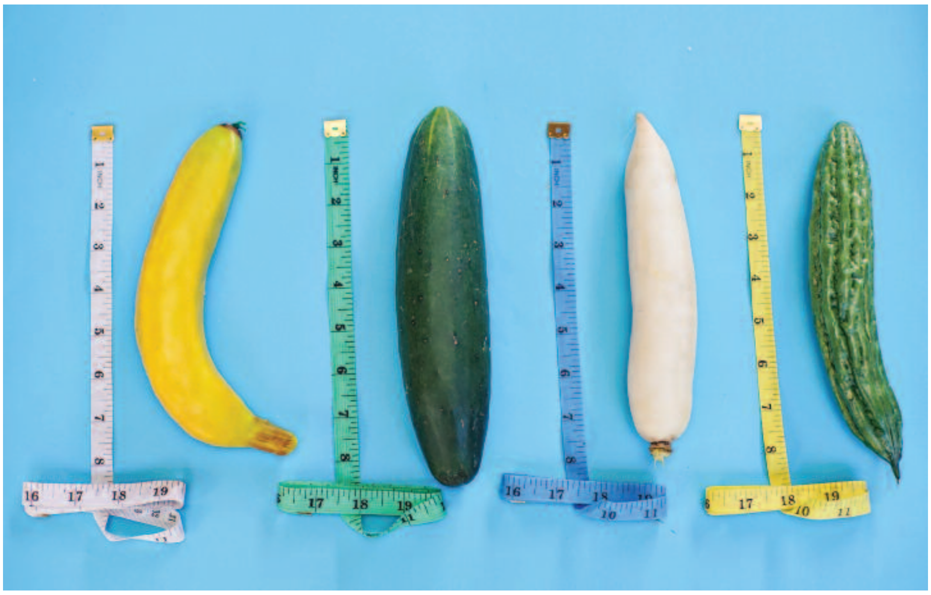
That's a huge number. And money talks.

Putting a price on PR

In many respects, then, seeking to place a monetary figure on the tangible results that a PR programme achieves may make sense – particularly when reporting to senior board figures without a marketing or comms background. The traditional methodology for doing this is known as 'Advertising Value Equivalence' (AVE). Put simply, this metric puts a financial value on a piece of editorial media coverage that equates to the cost of purchasing similar sized space (in terms of column inches or airwave minutes) in the same outlet through advertising investment. Again, perhaps this sounds sensible…

But here's the rub.

PR is not advertising. Take the example of a newspaper or a trade publication. Readers engage differently with a piece of editorial on a subject that interests them to a paid-for advert. Human



beings, as we know, generally don't respond hugely well to the hard sell. If, therefore, a partner in a law firm is quoted at length by a reporter in an article on a salient topic, their expertise is given a new level of legitimacy by the third-party validation of editorial selection. That's not bought (at least not directly), it's earned.

There are more mechanical issues with AVEs too. Let's think about the BBC – perhaps the most influential media entity in the UK. It carries no advertising, and therefore will always have an AVE value of £0. That sum just does not add up if you are trying to measure success.

In addition, PR is much more than just media relations, with multichannel campaigns now the norm and a digital-first approach key. Measuring success only on earned media outcomes risks undermining the broader value that PR delivers.

AVEs have generated such rancour over the years – arguably beginning with the launch of the 'Barcelona Principles' as a PR measurement approach in 2009, which whole-heartedly denounced the use of AVEs – that in 2017 the Chartered Institute of Public Relations (CIPR) revealed plans to implement a blanket ban on them as a form of PR measurement. The debate still rages.

Breaking down the marcomms silos

The fact that AVE is flawed, though, doesn't mean that PR can't be measured. AMEC, who spearheaded the 'Barcelona Principles', provides a very useful framework to help with evaluation efforts. It's a model which, sensibly, begins with the clear articulation of a business's commercial and organisational objectives. Any communications efforts (including PR) should be embarked upon in order to help realise these objectives.

Importantly, these objectives cannot be vague. They can't just be: 'we want to raise our market profile' – which begs the question 'raise from where, and to what?'... A lot of research, probably expensive and time consuming, would need to be conducted to do the benchmarking that would enable a true ROI to be proven in that context. Realistically, how many professional services firms have the appetite or budget for that kind of exercise?

The key to PR measurement then, is having self-awareness about what it is that the business wants to achieve, and being realistic about the resources required to help get there. There's no silver bullet as such, as every organisation is different. More generally, though, there are four principles which should be applied to the measurement and evaluation of any PR campaign.

1. Have an open conversation about the firm's business objectives and develop a PR (and wider marketing) strategy that directly corresponds, including identifying priority areas for investment – such as targeting a new growth sector or jurisdiction. Particularly in firms which work across a multitude of sectors or which have a broad range of specialisms, there is a tendency to try and spread the PR butter too thinly – consistency and clarity of message is key to PR success.
2. Where possible, gather data and develop benchmarks before a campaign begins, agree achievable KPIs and realistic time scales, and report back with actionable intelligence. Reporting too frequently often means the big picture gets lost amongst the day to day, not measuring and reporting at all means that value is hidden or areas for improvement missed. These benchmarks may include for example a proxy media analysis to review share of voice against key competitors in a particular set of publications or on 'hot topics'.
3. Innovate reporting and elevate PR and marketing as an item on the agenda for leaders. Consider using dashboard-style one-page reports and data visualisations to show KPIs and progress against objectives.
4. Embrace convergence and break down the silos between marcomms functions. PR, marketing and BD should all be pulling in the same direction and campaigns which aren't conceptualised jointly across these functions will find it far harder to prove business impact. The PR voice can be invaluable in forming the stories (themes, topics, etc.) which are going to influence opinion and make audiences, including the media, sit up and take notice, but PR needs to work closely with wider marcomms teams to ensure that resulting visibility translates into BD opportunities.

Technology can help, too. Convergence between the marcomms disciplines means that well thought through campaigns across digital channels – including social, email marketing, websites – can more effectively track how audiences are engaging with PR efforts. For example, website traffic data can be compared to media coverage levels, or backlinks can be tracked from media titles which have hyperlinked to a firm's website in a by-line. At the same time, data analytics, social listening, and sentiment analysis are changing the game for PR. These solutions will only become more sophisticated in helping to track reputational values and measure the effectiveness of reputation building campaigns.

But, even with tech wizardry at our disposal, it's important that PR retains its human touch, and its creative nature focused on compelling storytelling. PR is an art, not a science, after all...

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