

Best Practice in the Measurement and Reporting of Public Relations and ROI

**A research study conducted for the
Institute of Public Relations
and the Communication Directors' Forum
by Metrica Research Ltd**

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1. Executive Summary

1.1 Introduction

In February 2004, following competitive tendering, the Institute of Public Relations (IPR) and the Communications Directors' Forum (CDF) appointed Metrica Research Ltd to conduct research into the measurement and reporting of Public Relations ROI.

The brief agreed by the IPR and the CDF was to research evidence of best practice in PR measurement and reporting that could be used to help organisations improve the effectiveness of their PR activity and contribute to overall improved business performance. [This was an area for further work identified by the IPR and Department of Trade and Industry's November 2003 *Unlocking the Potential of Public Relations* report on the competitiveness of the UK PR industry].

The research was conducted in two parts during March 2004.

The first component was a telephone survey, conducted under the codes of conduct of the Market Research Society, of UK organisations in the public and private sectors. 100 senior respondents (predominantly Group Heads of Communication and PR Directors but also some CEOs) were selected at random from the IPR membership database and interviewed about PR ROI using a semi-structured questionnaire.

The second component was desk and web-based research on PR ROI, reviewing existing best practice and case studies. Contributions to this strand were also received from the IPR, the Public Relations Consultants Association (PRCA) and the Association of Media Evaluation Companies (AMEC) members.

A full version of this report, including appendices containing the telephone questionnaire and verbatim comments given by respondents, is also available online at: www.ipr.org.uk

Specific anonymous verbatim quotations, descriptions of case studies and examples used throughout the report are presented in *italics*.

The IPR and the CDF wish to thank all those who co-operated with Metrica Research Ltd in contributing to the study.

1.2 Summary of Survey Results

1.2.1 How Public Relations is currently perceived

1. The primary benefits of PR are seen as being longer-term and concerned with raising awareness, maintaining or enhancing perception and reputation, and improving professional standing. The following examples have been taken as verbatims from the case studies to demonstrate this.
 - *“We demonstrated an increase in the level of awareness of the organization and have shown that the messages we want to get across are being effectively reproduced by journalists. We have noticed a difference in attitude but can’t put a fiscal value to it.”*
 - *“It was after the Anderson transaction when they had the hiccups with Enron. From our point of view we had to make sure we weren’t tainted by Anderson’s reputation. Basically we did a solid and well planned media relations campaign so our reputation was protected and showed ourselves as being honest.”*
 - *“On some of our acquisitions we have needed to get positive message to our customers and employees. We do this through press activity, media communications etc. It may also involve corporate and social responsibility.”*
2. Except for raising awareness, the shorter-term benefits are less often mentioned. When cited benefits concern making contributions towards improved sales, improving morale and supporting other marketing activities. Again, the following examples have been taken from the case studies to demonstrate this.
 - *“The council bought a WW2 airfield and had plans to build a business park on it based on a very successful one in Philadelphia. It was environmentally friendly and would also support domestic housing. The Council said there could be no expansion so we had two weeks to overturn the planning vote – we took the local press at two day’s notice to get them together with the leader of the Council. We did solid PR editorial when we got home and we won the vote by three, which led to a saving of £28million.”*
 - *“We had an instance where use of our swimming pools in the leisure sector was down so we did a PR campaign and receipts are up 15%.”*

- *“We ran a PR campaign to our farmer members to get them to alter their calving patterns by putting the cows to bull at only certain times.. We did market research amongst our membership afterwards and there was 90% recognition of the campaign and 50% of our members took note of it and acted on it which meant we didn’t have too much milk at a time when we didn’t want it.”*
 - *“We did a campaign targeted at small businesses. We measured it through Metrica analysis and a survey. For every £1 spent we got it back 20-fold.”*
3. Further case studies from the exploratory research stage also provide further evidence in the form of case studies that are summarised here.

* Market research can be conducted on a repeatable basis (at least annually) to track PR message uptake and spontaneous recall of PR campaigns (care needs to be taken to avoid advertising and other communication message effects). See case study 3.1.8 'Turning up the Gas'.

* Measure customers' and prospective customers' perceptions on a repeatable basis (at least annually) against competitor benchmarks (again, care needs to be taken to account for advertising and other communication effects, where appropriate). Similarly, measure employees' perceptions and knowledge, again on a repeatable basis. See case study 3.1.10 'In Search of the Holy Grail'.

* Measure reach and frequency achieved against target audiences by PR programmes, using media evaluation (such information can be compared directly with similar advertising data as well as cost per thousand reached). See case studies 3.1.3 'Reshaping InterContinental Hotels and Resorts' and 3.1.7 'Volvo XC90: a Holistic View'

* Use market research to determine changes in spontaneous and prompted awareness before and after specific PR activity (care must be taken to ensure that the results can be attributed to PR and not some other communication activity, such as advertising or direct marketing). See case study 3.1.1 'Building Archant's Profile'.

* Measure response to specific PR activity by, for instance, using telephone Helpline numbers or micro-web site addresses that are only available through PR material. Such response can then be measured against benchmarked sales and other data to assess the impact of PR. See case studies 3.1.2 'A New Audience to Boot'; 3.1.4 'Hadrian's Wall National Trail' and 3.1.5 'BT Speaking Clock and Childline'

* Use market mix modelling to assess and compare the incremental product sales attributable to PR. See case study 3.1.11 'It's Time for Miller'.

4. The major purposes of PR are perceived as being related to awareness and attitudes of audiences in the long run. The more tangible benefits are regarded as shorter term, and less important.
5. There is a clear division between the very significant minority of respondents who say that PR benefits cannot be comprehensibly measured, and probably should not be, and those in the majority who believe in tangible assessment and reporting and who would strive for a universal form of ROI to do so.

These two verbatim comments reflect these different attitudes:

"Is the perceived benefit we receive from PR greater than the amount invested in PR? I don't think there is such a thing as a formal measurement of PR and I don't believe anyone who says they can".

"It is that as a PR profession, we need to engage with ROI and demonstrate the difference we are making to the business and its objectives".

6. The issue for the majority of respondents is of choosing what methods and forms of PR measurement or reporting to use. These vary hugely, from very limited specifics like 'positive coverage' to a broad mixture of revenue generated combined with measurement of shifts in awareness, attitudes and perceptions.

(Section 2.1)

1.2.2 How PR is currently measured

1. A significant proportion of respondents, when answering probing, exploratory questions did not feel confident enough to provide answers about PR performance specifically in terms of revenue or profit, although half of the sample interviewed made reference to some form of financial measure.
2. When prompted, 8 in 10 respondents referred to 'audience reach and frequency' or 'the effect on audiences' as being the main forms of measurement.
3. Only 6% of respondents claimed to measure the contribution of PR in ROI related terms. 34% said that they did consider PR budgets in terms of ROI.
4. 6 in 10 respondents said that they would use ROI to measure PR in some way for one of three reasons:
 - As a performance measure
 - As a means of justifying PR spend
 - As a means of proving the need for additional PR spend

Since this proportion is almost twice as large as the 34% who said they did look at PR budgets in ROI terms, it suggests that ROI is recognised as a necessary means of reporting PR performance. There does seem to be some inclination towards seeking a form of ROI that could be applied universally.

(Sections 2.2 and 2.3)

1.2.3 How PR ROI is differentiated from other communication measures

1. From an assessment of the varied answers to the many exploratory questions asked in the survey, it seems likely that well over 50% of respondents thought that the use of PR ROI might have a positive effect on the way PR performance could be reported, leading to bigger budgets and greater opportunities for PR development.
2. A significant minority, we estimate from the various replies up to 35%, in both public and private sectors, felt that PR ROI could represent a threat that it might work to the disadvantage of PR and encourage budget reductions.

3. 3 in 10 respondents (28%) continue to insist that ROI is used for making decisions about PR performance, so this residual component of the sample does understand PR in the context of some form of ROI. Some respondents, possibly 10 - 15%, seem to feel that only Advertising Value Equivalents (AVE's) can provide the necessary measures. Others use coverage, reach and frequency or effect on audiences.
4. This study elicited no clear examples of any PR ROI reporting that was used in direct comparison with other marketing communication activities or budgets. Often examples were given of PR either being regarded as part of a whole marketing communications strategy, or, the respondents apparently did not know.
5. Crisis or reputation management is limited to reliance on some form of reactive media or press monitoring at best. Most respondents claim their organisations have no formal assessment of PR value as the crisis develops and many measure the effect after the crisis. Very few organisations have any kind of communications crisis management plan in place.
6. Measuring and reporting the PR value of keeping organisations out of the news is not practised in any cohesive or recognisable way. Few respondents could give meaningful answers to this question. Many public sector respondents said that they did not measure and report the value of keeping organisations of the news for fear of being accused of hiding political issues. This quotation illustrates this reaction generally:

"That is a good question – it is difficult to say – it is like an iceberg 7/8 under the water – it has to be a qualitative judgement. We look at it as media coverage and see how many have reported it".

(Sections 2.4 and 2.5)

1.2.4 Measuring the performance of PR

1. Practically all government or public sector organisation respondents have some form of measurement to assess PR performance. This has increased significantly in recent years through government pressure to introduce greater uniformity across government departments/organisations. Both internal teams and external agencies/consultancies are employed extensively for such purposes. Surveys of all types, tracking, benchmarking, qualitative research, panels and regular clippings and media analysis are all employed enthusiastically, using everything from AVEs, to stakeholder analysis and KPIs.

"We do analysis with hits, visibility in the media etc. Clippings and stakeholder analysis is done both internally and externally. We have developed a tool with an outside agency on research."

2. The analysis of answers from the 80 respondents in the private sector of the survey have been synthesised into three broad categories of PR performance measurement. On this basis we calculate that 44% of enterprises conduct regular, planned and proactive measurement of PR.

"We have a reputation tracker and do yearly qualitative surveys by telephone and an annual quantitative survey on how we have managed to influence analysts and how favourably they are disposed to us. We do a customer satisfaction and dissatisfaction survey."

3. 31% of respondents reported considerable measurement activity but it is sporadic, reactive or simply passive, using media reports and surveys.

"It is done on a case by case basis. What message is delivered and where. We look at where the message is placed and whether it was positive or negative."

4. Across 25% of private organisation respondents, there is no real measure for PR, only occasional one-off forays, for example into clippings analysis or a once-off awareness survey.

"Our measurement is really purely anecdotal. We have no numeric formulaic measures".

5. 51% of all 100 respondents claim that they monitor PR performance in some way. This compares with 44% of the 80 private sector respondents who appear to regularly assess PR performance. Allowing for different interpretations of effective tracking and monitoring, this highlights that around 50% of organisations interviewed are likely to be undertaking some form of PR monitoring activity. The range of government sector measurement techniques and methodologies have already been described. However, private sector respondent analysis indicates the following means of monitoring PR performance:

- Quarterly or annual reviews and meetings with data from media coverage, analysis, monitoring, surveys, feedback

- Benchmarking and tracking, mainly on media coverage or other specific objectives
 - Value of key messages and media coverage
 - Media evaluation and monitoring
 - Customer surveys
 - Use of Key Performance Indicators built in to an evaluation process
 - Use of trend analysis and other models, often set up and run by external consultancies
6. When asked about plans to improve assessment and monitoring of PR performance, 59% of respondents expressed the intention to do so. In the public sector this is cited as being centrally driven by government. In the private sector, while the intentions were there, plans for improvement were not cited as convincingly: these responses fell into the following categories, starting with the most frequently mentioned plans -
- Extensions of what they do already, but developed or improved, although some look like they are just tinkering.
 - Very vague plans for improvement that were not thought through or committed.
 - Use research input from different kinds of surveys, but without any indication of how this information is used to monitor PR effectiveness in future
 - Develop models with input from improved media evaluation, other coverage data or survey analysis, mainly using external consultancies.
7. Only 4 organisation respondents appeared to have firm, sound, effective planning in place to improve the assessment and measurement of PR.

(Section 2.6)

1.2.5 Reporting the performance of PR

1. Formal reporting is the norm in the government sector but the detail, extent and frequency varies greatly. Many are written reports, based upon whatever method of measurement is employed, but primarily telling the story of what PR activities have occurred and the overall results. Specific measures are occasionally included.
2. In the private sector, monthly or quarterly written reports are given to the CEO, MD and others on the Executive Board, where appropriate. Such reports usually show what PR activity has occurred and what is planned. There is some overall evaluation and

assessment, but it is difficult to decide exactly how much, or how objectively this is reported.

3. The survey established that significant numbers of organisations in all sectors used irregular, informal reporting on PR. This frequently occurred where the respondent was in a very senior position and was able to update the President or CEO at certain meetings, or informally from time to time. This also happened in organisations where assessment of PR was focused on specific campaigns or activities. Respondents in multinationals were often reporting on PR directly to other strata of management in other countries, especially where useful performance comparisons could be drawn. Only two respondents could be found where ROI-type data was being used.

(Section 2.7)

1.2.6 Best practice in assessing PR performance

1. 64% of respondents appear to have looked at best practice elsewhere when reviewing their own PR performance.
2. When assessing overall performance, public sector respondents review best practice comparable organisations as well as observing the private sector.
3. Organisations in the private sector in particular seek information about the way sector competitors and other companies in their area perform in the PR arena.
4. The Institute of Public Relations is regarded as a good source of information leading to best practice advice, and was mentioned by several respondents as such.
5. Many respondents also referred to using their own professional industry groups, forums, networks and contacts in similar businesses and specialist consultants or agencies that have expertise in particular technical or media evaluation solutions.
6. There were no specific methodologies or measurements put forward because each seemed to regard their own area as having its own special aspects.

1.2.7 Where has PR been shown to make a contribution to the organisation?

1. This study unearthed no firm, unambiguous examples of contributions from PR in terms of revenue or profit within an ROI framework, although several respondents provided examples of specific costs saved or the probable increase in revenue as a result of successful PR.
2. The fact that cost-benefit, where it could be defined, was given in various ways, illustrates the different perceptions of respondents about how to measure PR effects. In many cases these benefits are translated into cost or revenue, but not into ROI.
3. The huge variation in the examples given and the interesting details contained within many of them have encouraged us to enter many of these mini case studies in the report as they stand, in Section 9. There are two examples of each given in this summary, below. We have divided them into three different kinds of cases, which are:
 - I. Where the benefits from PR have been measured
 - II. Where PR has produced tangible and intangible benefits, but these could not be translated into measurable revenue or profit
 - III. Where they are examples of crisis or reputation management.

Corresponding examples:

i. The benefits from PR have been measured

"We have a (well known object) to display – there is no advertising about that, we have just done PR. That PR brought in 10,000 extra visitors to our viewing park, which made a massive difference in takings. (Airport)".

"Last year we just introduced our first news metrics analysis. We were selling (Club Brand) soccer shirts in store so we looked for additional PR coverage and as a result we sold out in 7 days so the financial benefits were clear". (Football club)

ii. PR has produced tangible and intangible benefits, but these could not be translated into measurable revenue or profit

"It was after the (D Consultancy's) transaction when they had the hiccups with (Company name). From our point of view we had to make sure we weren't

tainted by D's reputation. Basically we did a solid and well planned media relations campaign so our reputation was protected and showed ourselves as being honest". (Financial institution)

"We have a new initiative here to do with modernising health centres and GP surgeries in partnership with the private sector. We have done a PR campaign and got good coverage plus it has encouraged people to give their views on what they want and to see in terms of changes and improvement". (Health)

iii. Examples of crisis or reputation management.

"We had an elderly lady who had died after moving from one care home to another. The Doctor and her family had warned us it would happen. An inquiry was set up about it so we had media briefings to show we would be open and accountable following having been criticized for being secretive. The media now praises us". (Local Authority)

"Protestors who took direct action against our masts led to media and press lumping us in together with all the mobile networks and reports on the problems associated with them. We prepared key facts and telephoned everybody with the 5 facts that meant we managed to contain the story of the protestors' actions".

(Section 2.9)

1.3 Conclusions

- There are major areas of PR performance where significant numbers of organisations do not expect to make assessments in a quantifiable, tangible way. These are particularly where PR is seen to be performing longer-term functions influencing awareness, opinion, perception and attitude. There is also a small, but significant number of respondents in the survey who do not believe that such PR performance can be measured in this way in terms of ROI and who do not seem to wish to do so.
- The study also reveals that crisis and reputation management are rarely built into the PR strategy to any convincing degree among private enterprises, although they do exist to some extent in the public sector.

- There is a fear among some respondents that failure to demonstrate hard evidence of PR performance may cause some degeneration in the position of PR within the enterprise. This may be partly due to lack of understanding of what may be achieved and the complexities involved in doing it properly. It may also be partly because people genuinely believe there is no need for it, or that they can demonstrate their PR values in other non-quantifiable, intangible ways that demonstrate better the true value of PR.
- There are others who wish to stick to their own methods, possibly using measures such as AVEs, and who do not try to use other forms of measurement because they do not see any value in them, or they simply do not wish to change. This possibly indicates a lack of understanding of the complexities involved in measuring public relations among PR practitioners and senior general management.
- This lack of understanding may contribute towards the feeling we get from the survey, that the PR industry is too defensive regarding the value of the work it delivers. It is largely as a result of this that the PR industry allows itself to be drawn too closely to comparisons with advertising.
- Despite the conservative attitude of some respondents, it is apparent from our research that a considerable effort is expended trying to measure, report and improve such measurement of PR performance. 6 out of 10 respondents say they believe that the use of ROI to measure and report PR would prove valuable in demonstrating value and justifying budgets.
- A major proportion of organisations in both private and public sectors, between 45% and 60% (depending on the different questions analysed), do attempt to measure the tangible benefits and performance of PR. A tiny handful, perhaps 3 or 4, actually seems to have some form of ROI-related measure in place. One problem is a lack of understanding, or even agreement, of the true definition of ROI (return on investment), which is used too loosely as a generic term for measuring the effectiveness of PR programmes.
- Despite this, there is considerable interest in performance measures and a willingness to try and move towards some kind of ROI reporting system. Our research has provided evidence of the different forms of measurement that are being used, or could be developed further. These include various methods including media evaluation; audience

reach and frequency; key messages; benchmark and tracking surveys of awareness, perception and attitude; direct response evaluation and feedback, and KPIs (Key Performance Indicators), as well as trend analysis or other models that have been developed.

- There are examples in the survey of specific PR strategies where it has been accepted that there is empirical, solid evidence of improvements in revenue and profit as a result, as some verbatim comments in the report describe.
- We do not see a way through to establishing a clear universal ROI base process, linked to revenue and profit from the results of this survey. We did not expect to. That was not a valid objective. But, there are plenty of examples of performance measures for PR in the report that are being used and that could become the raw data input to formulae for calculating ROI in some form. There are examples too of respondents using best practice approaches to improve their measurement and reporting. Some of the reluctance to use tools and techniques on a broader basis also undoubtedly stems from a perception that they are relatively expensive when compared to the cost of the PR programmes themselves.
- The mini case studies and the examples from the survey, combined with the evidence from the case studies that have emerged from the web and desk research exercise reported separately, provide a sound basis from which to help organisations to achieve best practice.

1.4 Recommendations

The actual definition of ROI is a ratio of how much profit or cost saving is realised from an activity against its total cost, which is often turned into a percentage. In reality, few PR programmes can be measured in such a way because of the problems involved in putting a realistic and credible financial value to the results achieved. As a result, the term 'PR ROI' is used very loosely, which is not only confusing but also misleading and helps explain why the PR industry has traditionally found it difficult to demonstrate meaningful success that links PR cause to PR effect.

A considerably better alternative would be to speak of 'evidence-based PR', defined simply as *the difference made as a result of PR activity*. Given this broader definition, there is no question that

excellent work is being conducted across the public relations industry to measure and report PR activities using sophisticated techniques. Examples of this include:

- Raising awareness among target audiences (e.g. to support sales...)
- Increasing reach and frequency (e.g. to support branding...)
- Increasing telephone calls to a Helpline (e.g. to assist families...)
- Driving x visitors to a web site (e.g. to educate more people about...)
- Increasing number of direct sales enquiries by x (e.g. to improve the new business pipeline...)
- Increasing message delivery to target audiences (e.g. to inform new target audiences of a particular service...)

Further, the credibility of the PR industry continues to be marred by a general lack of understanding of the complexities involved in measuring the 'value' of its work. As a result, many practitioners continue to resort to over-simplified methods that are inherently defensive and designed more to justify their existence against other marketing communication disciplines than to prove the effectiveness and genuine business benefit that PR can offer.

This report therefore concludes and recommends that while the PR industry should work closely with advertising and other marketing communication disciplines, it should not allow itself to be falsely compared with them through such discredited measures as AVEs (advertising value equivalents). Not only do such false comparisons undermine the value of PR, they are also meaningless and can lead to poor decision-making in the planning and implementation of marketing and educational communication programmes. Where PR is legitimately compared with other disciplines, this should only be done using credible methods, such as reach and frequency.

Drawing on the survey evidence gleaned in this study, the following recommendations are made:

- The term 'PR ROI' is rarely used correctly and should in most instances be replaced with a more meaningful and accurate descriptive phrase, such as 'evidence-based PR', defined as above. In order to avoid confusion, the term 'PR ROI' should only be used when a ratio of how much profit or cost saving can be directly attributed to specific PR activities.

- The cost of PR measurement should be considered against the business case of what PR programmes can achieve rather than against the budget of the programmes themselves. Viewed in this context – helping to make a strong business case – the cost of evaluation can be better justified. The selected case studies show that measurement plays a key role in obtaining higher PR budgets by demonstrating the *business case* of the results achieved.
- A significant change in the culture of the PR industry is required towards more sophisticated PR measurement as opposed to the ‘magic bullet’ approach that so many PR practitioners appear to desire.
- Many problems stem directly from an over-simplified view that ‘PR is basically free advertising’. This leads inevitably to ‘measures’ such as AVEs (advertising value equivalents), which continue to be used despite being completely discredited. This issue will only be overcome when the PR industry accepts the need to make a strong business case for the work it does in its own right and uses the measurement systems to reflect this, rather than simply allowing itself to be compared with other disciplines, particularly advertising.
- When PR is compared with advertising, this should only be done using directly comparable measures, such as ‘reach and frequency’, ‘cost per thousand’ or changes in awareness and attitude measured through credible market research.
- The PR industry should place more emphasis on the technical understanding required to conduct proper planning, research and evaluation (PRE). On a long-term basis this should be encouraged through educational programmes that cover the technical aspects of PRE, particularly at degree level where courses are endorsed by the IPR. In the short-term the IPR and other industry bodies, such as the PRCA and AMEC should continue to work closely to address this problem.

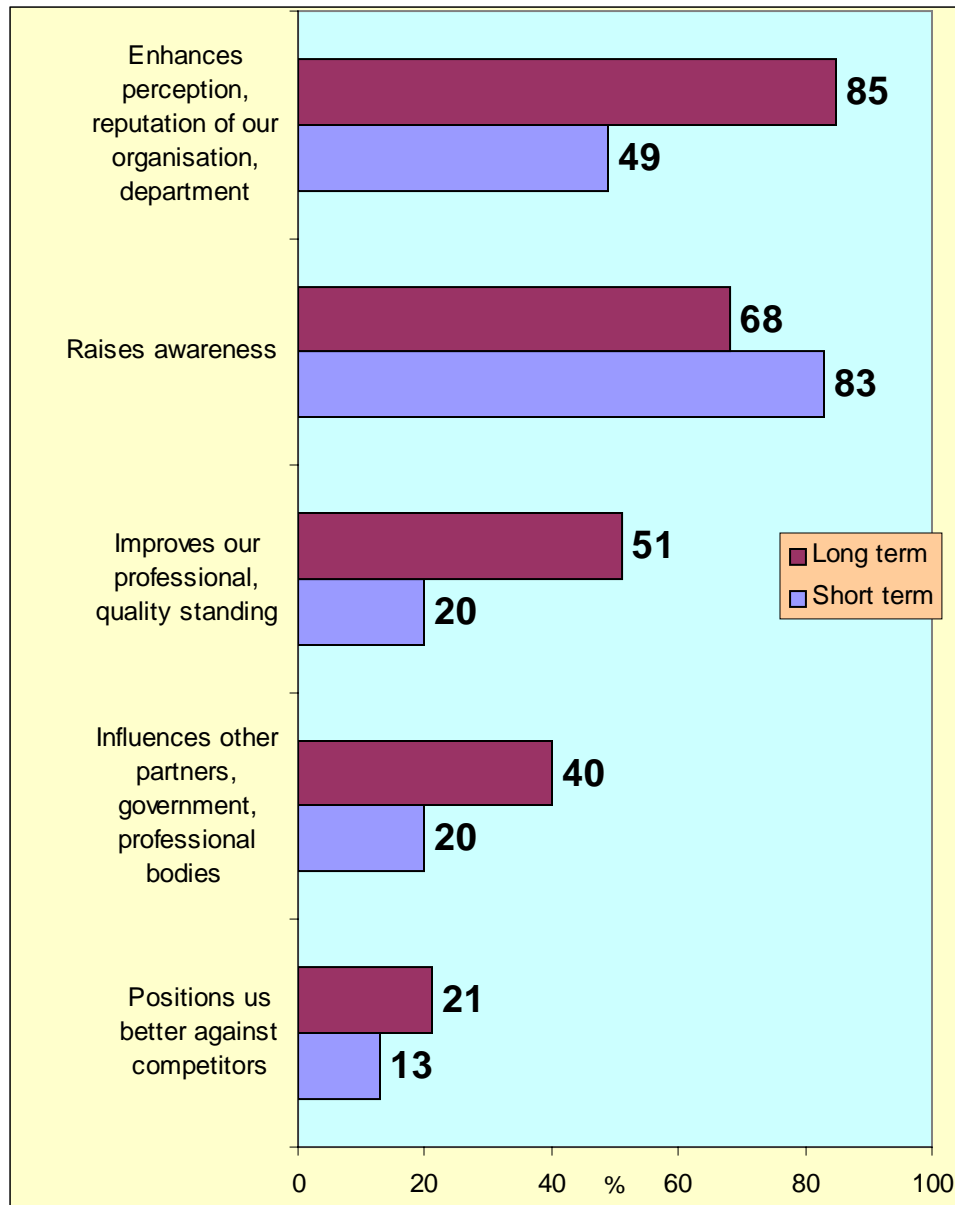
2. Survey Findings

2.1 Perceptions of Public Relations and ROI

2.1.1 Perceived benefits of Public Relations

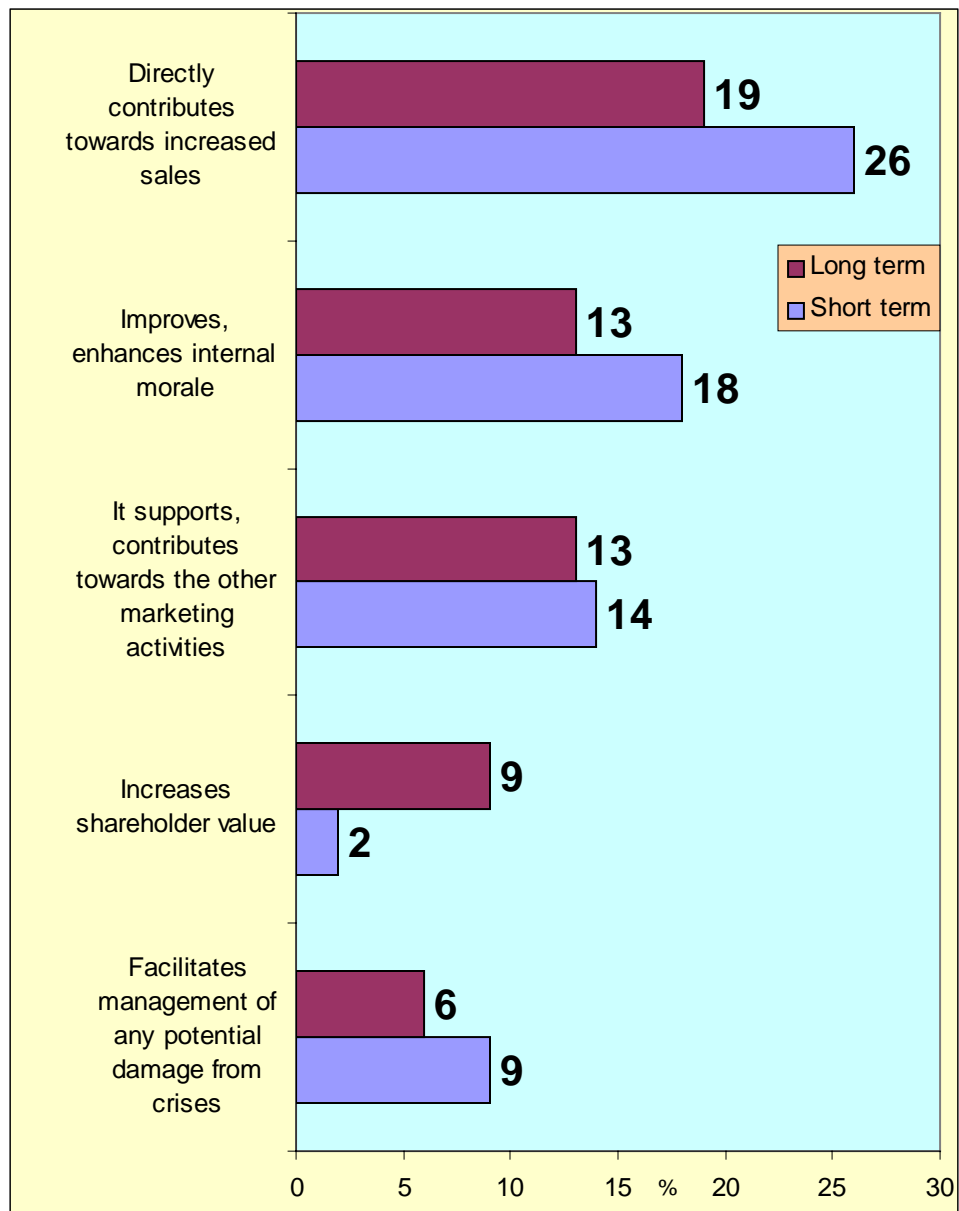
The benefits of PR were investigated from both shorter-term tactical, and longer-term strategic perspectives. We have divided the replies into two charts, with the most important shown first in Figure One. The benefits are ranked on the basis of perceived long-term importance.

Figure One – Primary benefits of PR (Q1b & c)



- ⇒ Enhancing the perception and reputation of the organisation, was the highest ranked perceived benefit in the long-term. Unsurprisingly, it is closely supported by “raising awareness” because greater awareness is an essential precursor to improved reputation.
- ⇒ In the short-term the primary benefits from public relations were reversed in that raising awareness was seen as the immediate effect, followed by enhanced reputation.
- ⇒ Improving the professional standing of organisations and influencing other important partners, like government and professional bodies, are ranked third and fourth, respectively. These are both seen as being much more important long-term benefits.
- ⇒ Although many different apparent benefits were mentioned, the fifth most important was to be positioned more advantageously against competitors. One in five respondents believe this is a significant longer-term benefit.
- ⇒ With the exception of raising profile and awareness in the short-term, the really important benefits of public relations are generally considered to be long-term, rather than over a more limited time span, judging by Figure One.
- ⇒ In Figure Two, below we see the other PR benefits that are thought to be relatively important, after the five discussed above. Short-term advantages are expected more often than longer-term benefits in the form of increased sales and better internal morale.
- ⇒ Contributions towards other marketing activities are also expected from PR by 13% to 14% of respondents in the short and long-term.
- ⇒ In general, PR is expected to deliver benefits in raising awareness, enhancing a company's reputation, increasing sales and improving internal morale in the short-term, and in that order.
- ⇒ Some people believe that PR offers benefits in increasing shareholder value in the long-term, and others see it as facilitating in crisis management, but these are small proportions, between 2% and 9% of the total sample.

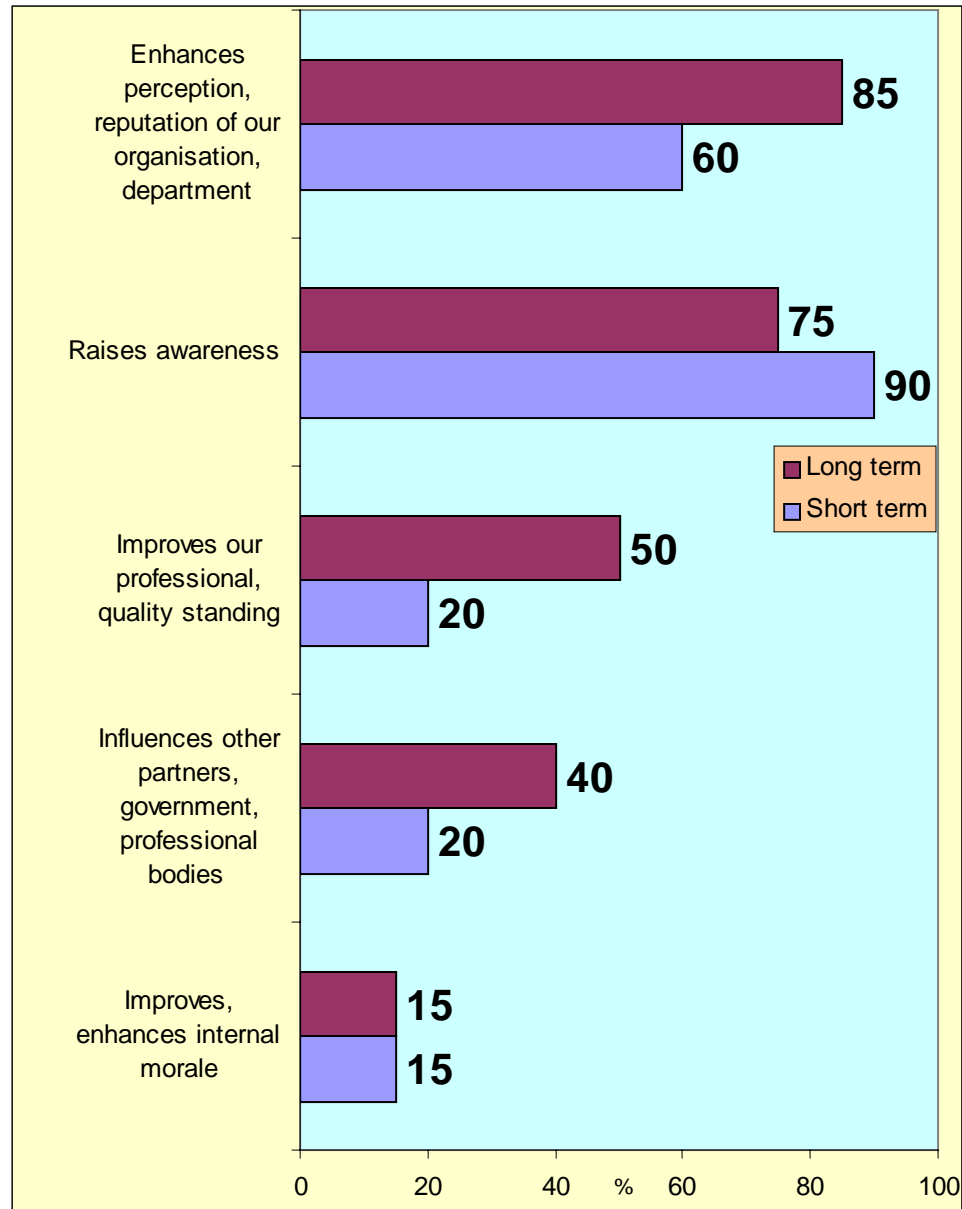
Figure Two – Other perceived benefits of PR (Q1b & c)



- ⇒ The 20 interviews conducted in the Government sector give a similar set of perceptions of the major benefits of public relations. Figure Three, below, suggests that there is really very little that separates respondents in this sector from those in commercial enterprises.
- ⇒ The only difference is that government departments do not obviously think in terms of positioning themselves against competitors (at least, not in a marketing or commercial

sense), so the fifth most important benefit for government is one of improving internal morale, rather than positioning themselves against competitors.

Figure Three - Perceived benefits of PR among government organisations



(Q1b & c)

⇒ There was one additional point made by several respondents, which was that public relations is a very important element of any strategy to increase or maintain brand awareness or to support a brand.

2.1.2 What is ROI in Public Relations?

The final question of the interview, asked: "What do you *really mean* by ROI (in the strict definition of ROI) in talking about PR? For instance, is ROI shorthand for other measures that might best be described as cost/benefit?"

- ⇒ 62% of respondents agreed that they used the term ROI to mean some form of cost/benefit rather than strictly the correct definition.

- ⇒ Public sector respondents, especially government PR managers, defined ROI as:-
 - Column inches
 - Coverage
 - Evidence of positive changes in awareness and attitude
 - Response and audience behaviour
 - Increase in influence over policy
 - Measurement and evaluation of effective PR
 - Generating or saving money
 - ROI becomes a necessary tool for presenting a budget case
 - Closely linked to Reputation Management/Crisis Management

- ⇒ Private sector respondents gave the following definitions that all fell comfortably within a number of broad descriptions of attitudes and perspectives of PR and its benefit to any organisation. There were three kinds of definition that reflected the view of PR as really only offering intangible benefits. There were also three other attitudes that belonged to over half the respondents, where PR is regard as having tangible, measurable benefits, even if they do not agree as to what these are. There are different opinions, as the examples below illustrate.

- ⇒ It is not the financial benefit. It is intangible. It is not relevant to PR. Example replies:

It is not a fiscal measure. It is a means to identify a professional standard in PR and to achieve whatever the objectives or reputation might be.

I have a very negative view of ROI. I think there is little validity to ROI in PR – it is not an effective measure.

ROI can't be shown in a financial focus purely because there is no measurement that can do that. ROI is what PR brings to the business.

Is the perceived benefit we receive from PR greater than the amount invested in PR? I don't think there is such a thing as a formal measurement of PR and I don't believe anyone who says they can.

⇒ It is all about perceptions, awareness, image and reputation

It is about the impact on perception mainly and perception scaling and lobbying on key issues that effect our business.

It is the maintenance of any organization's reputation and the creation of a positive mindset in our key stakeholders.

It is raising the profile and making people aware of who we are.

PR is only the perception of who we are and what we are and how we are compared with our competitors. You cannot measure perception and I challenge anyone to produce a mathematic formula – it is too simplistic.

⇒ Business benefits (unexplained in any terms)

It is the business benefits that have clearly come from PR

Good PR helps an organization to achieve its aims

It is a way of quantifying pro-active and re-active work. It is a way of proving why you should have a PR department but it is difficult to prove that.

⇒ It is the financial benefit of PR to the business

It is the positive or negative impact the PR has on the financial performance of the company.

It is that as a PR profession we need to engage with ROI and demonstrate the difference we are making to the business and its objectives.

It is an effective method of both improving business performance or mitigating a problem that could have an impact on business performance which in its turn can effect the bottom line.

ROI is to be able to demonstrate the long-term business benefit for the organization in terms of sustained revenue growth.

⇒ It is all in relation to the measurable effect on the media, coverage etc.

It is column inches compared with paying for space – so we use AVEs.

I mean by ROI – how many column inches and sound bites I get in return for the staff hours I pay for.

The ROI is in the terms of media value generated.

⇒ Business benefits in tangible or cost terms

It is opportunity cost – if I have \$1m am I better using media campaigns, sponsorship etc.?

I would have to work with marketing etc. to find out what is the best way of spending money to gain the maximum benefit.

I mean cost and benefit when I say ROI in PR. We look at how much we spend and then look at the benefits and impact of that investment.

⇒ Cannot explain it

I don't think I could explain it – I guess I would probably say that I can't answer

It is a difficult area to sum up – most companies and agencies shy away from a hard measure – I don't see the point in it to be honest

How do you measure ROI in PR? It has to be the volume and general finger in the wind It is absolutely being able to see the profit and revenue generated from PR – but you can't prove it! You can't pin the cause to the effect.

2.2 THE MEASUREMENT OF PR ROI

2.2.1 The use of the concepts of revenue and profit in measuring PR

The question was asked, "How does PR success or failure translate into revenue and/or bottom line profit?"

Government

⇒ Many respondents in the government sectors said that, "We are a non-profit organization/public body so it is not applicable". Some felt able to give some examples, such as:

PR campaigns on parking policies, commercial waste, selling of expertise etc. brings in revenue but I can't give you figures

I think it does translate – failure of good PR translates into the bottom line because you have to revisit an issues to make sure the public understand what you are doing but I can't put a figure on it.

⇒ Some people did not seem to regard this as a question that should be asked of them and there was almost an anti-measurement approach in terms of any form of financial benefit.

It doesn't translate because we are not profit making. Political masters appreciate we can create income streams but there is no correlation made between PR success or failure.

Commercial organisations

- ⇒ Once again, many respondents had no idea of how to answer this question. Typical attitudes are demonstrated by the following verbatim comments:

It depends how well it is structured. PR should support business objectives and marketing objectives. I can't give you figures

We know that people who use us are influenced by their peer groups and by what they read in the media about us but we can't give figures because it is impossible to measure.

It is almost impossible to say – no one has been successful at showing the benefits in fiscal terms

- ⇒ One firm reaction to the question was that PR cannot be measured in a normal way but it must be part of the business process because, if it is not there, the business will suffer.

It is very difficult to assess – the failure of our reputation would mean people wouldn't travel leading to reduced sales

It can cost us millions of pounds but it is intangible. You can quantify it if you get it wrong!

- ⇒ Some respondents are trying to measure PR ROI, but no specific success stories were uncovered by this question at this stage of the interview, although there were some references to AVE.

On the short-term side of things you can track sales changes from PR campaigns and therefore the bottom line.

We carry out an evaluation process, which is somewhat complex. We collect coverage generated by our PR in other countries and can see if it makes a difference. For the year 2002/3 we generated X,000 articles and broadcasts which, translated into AVE, was £AAA million unweighted and £BBB million weighted

- ⇒ Some see PR's contribution as an add-on to other marketing and sales activities.

Indirectly it can add to marketing, marcoms and advertising

It is difficult to identify the direct relationship but the understanding in our company is that PR contributes towards our marketing.

Health sector

- ⇒ Similar attitudes to those in Government and any public sector prevailed amongst the few organisations in the health sector. Measurement of PR is not regarded as particularly relevant by many, despite the recognition of clear benefits and its relevant importance to these organisations.

It doesn't translate – there is no impact on the bottom line profit in the short term.

It's not applicable to a certain extent in the public sector but it is about reputation management which means we can support our place in the market place so as to speak.

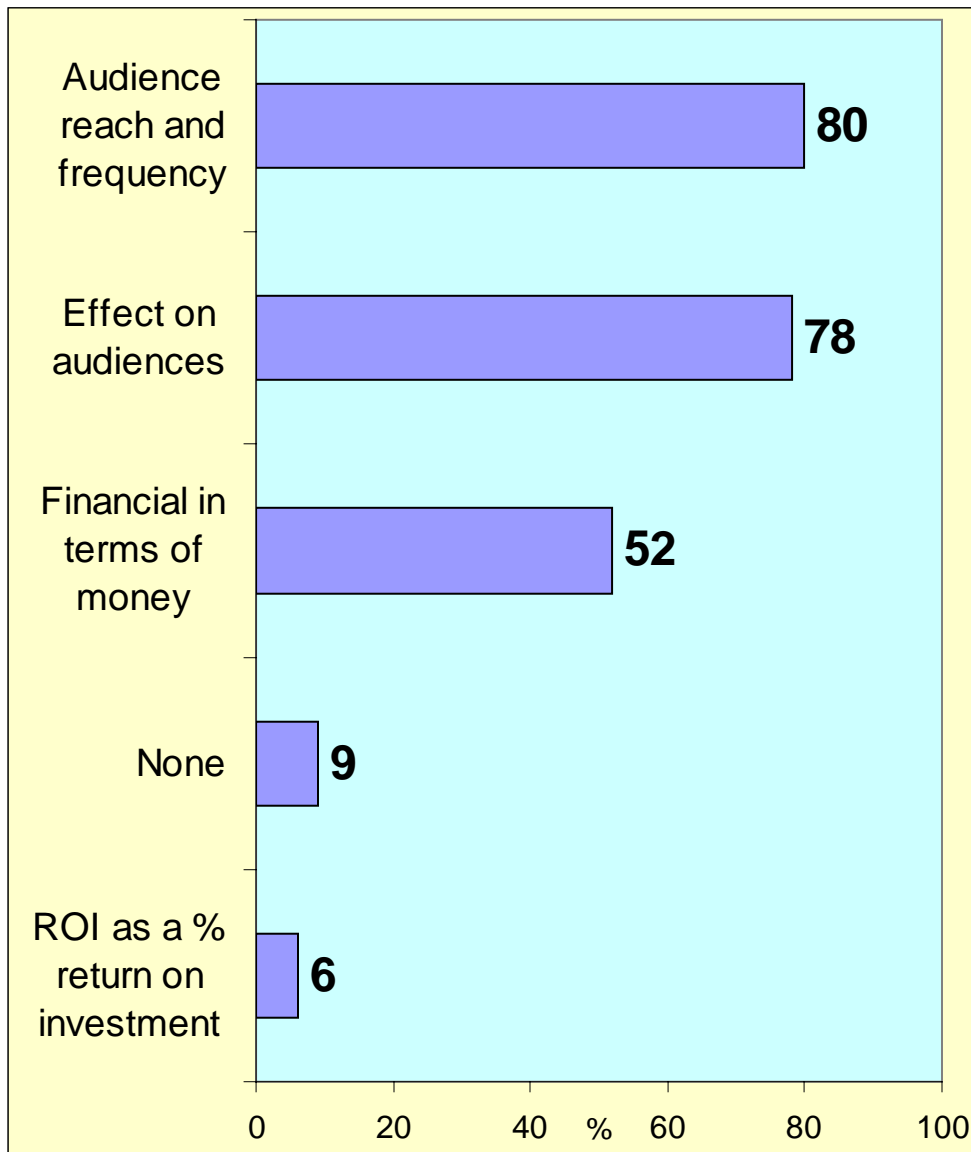
⇒ An underlying attitude is that effective PR leads to greater understanding in different quarters and that, in turn, has various measurable benefits in terms of improved funding situations.

A greater understanding of our industry potentially means less pressure on curtailment of our funds

2.2.2 Unit measurements used in thinking of PR contribution

Respondents were then asked, "Do you use any of the following unit measurements when thinking in terms of how PR makes a contribution to your business?"

Figure Four – Other unit measurements used in relation to PR contribution (Q3)



⇒ Audience reach and frequency, and the effect on audiences are both used extensively as the primary means of measuring the contribution of PR to a business or organisation.

This was particularly evident among government establishments where almost everyone referred to these measures, compared to 75% in commercial enterprises.

- ⇒ What is not explained by the answers to this question is how the effect on audiences is measured, and as other results in this report show, this is frequently through market research awareness and attitude tracking as well as qualitative research techniques, or concrete evidence in sales or other customer feedback.
- ⇒ 52% make reference to money and financial measurement.
- ⇒ Only 6 respondents claimed to use ROI as a percentage return on investment, and even these did not give specific examples.
- ⇒ 9% admitted that no measurements were used
- ⇒ A small handful of respondents referred to measurements of media activity, brand tracking or advertising measures

2.2.3 PR budgets in terms of ROI

Further probing on the way PR budgets are accounted for continued with the question, "Do you look at public relations budgets in terms of what "Return on investment" they offer?"

- ⇒ 34% of the sample said that they did look at public relations budgets in this way. The proportion was the same in both government and commercial sectors.

Those who said they did so were then asked, "*How do you do that? Define the parameters; explain them further.*"

Government

- ⇒ Certain government and local government respondents used regular marketing research tracking techniques

We use satisfaction surveys, polling etc. We are judged by our results on a weekly basis.

We have a quarterly tracking study interviewing 1200 people across the borough

- ⇒ The only other clear references identified in this sector were to various forms of financial assessment that was not evident as being comparable with earlier performances in an objective way.

By looking at the financial outcomes of an existing project and comparing them after we have done the first, second and third campaigns of PR.

- ⇒ Some made reference to performance indicators

We are accountable to the public. We have set objectives for internal and external communications so there has to be a return through performance indicators.

We have key performance indicators

Commercial organisations

- ⇒ There was no recognisable, clear, defined set of parameters for inspecting and assessing public relations among the 80 commercial and service organisations included in this survey. Here are some of the 27 replies:

We do it through measurement of column inches and analysis of good news stories.

It tends to be gut feel as usual. We do try and quantify time for outlay versus what we get back.

By building a PR plan to meet business objectives. It is seen as part of the marketing mix.

We look at the operational budget partly comparative on what is spent and business development activity – it is not sophisticated at all

- ⇒ The most cohesive methodologies were, naturally, focused on media evaluation in some form. While AVE measures were mentioned, some other relatively sophisticated models are also used.

Every cutting we have is measured by Metrica. We set clear objectives for campaigns to generate messages to key stakeholders.

We assess and have metrics we set regarding message and delivery and reach which we attempt to correlate to business performance

We use AVE weighted and unweighted to see the impact of media/broadcast coverage.

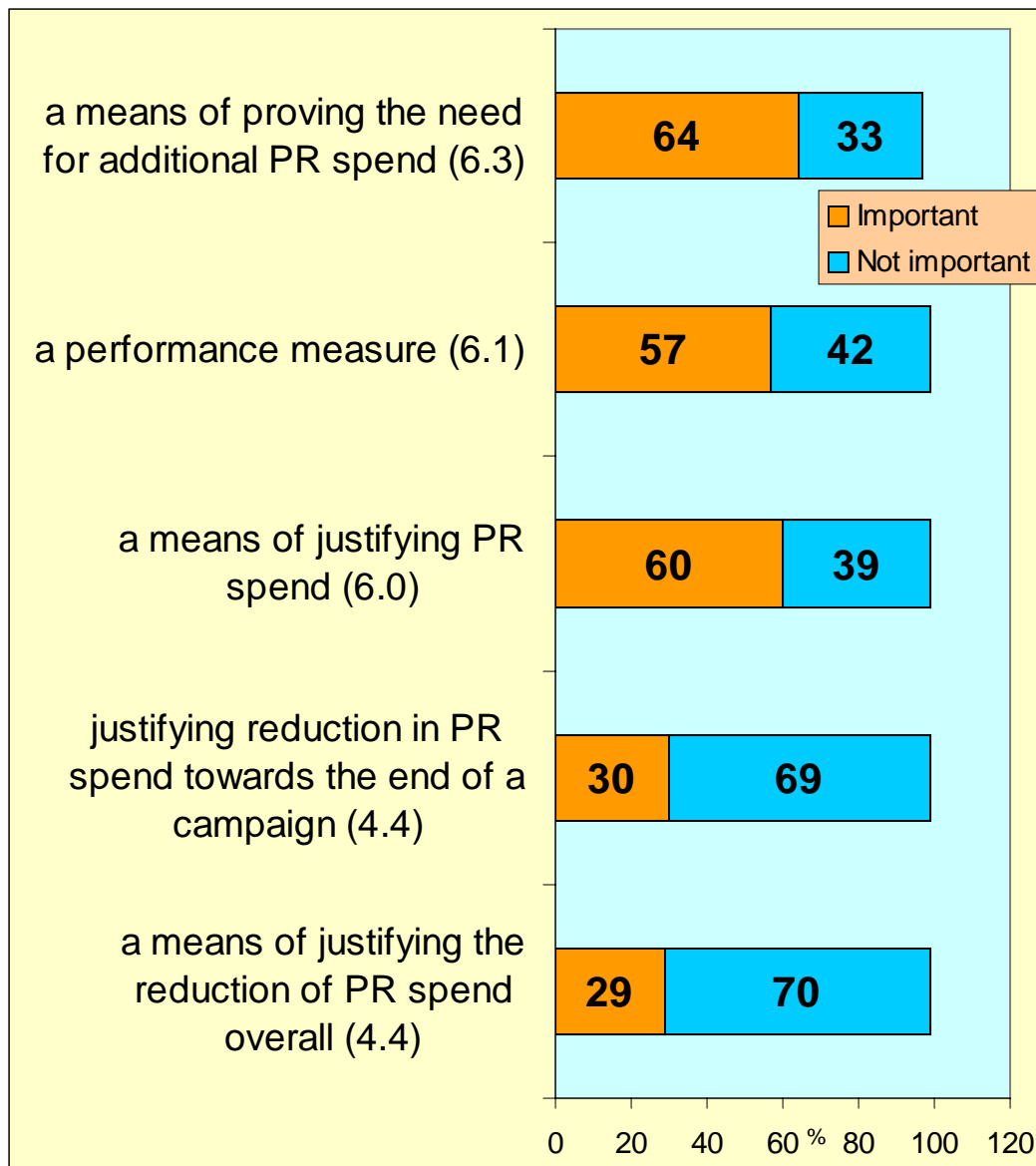
Very broadly – we would talk about the return on media investment. For example each team (brand, customer services relationship, crisis management etc) have to justify their spend of each unit. All use different ways of justifying – there is no one unique way.

2.3 JUSTIFICATION OF PR EXPENDITURE

A series of statements were read out to respondents after this question ... *“How important, would it be for you to use ROI to measure PR as, say, ...?”*

...They were asked to apply a scale of importance of 1 to 10 to each statement, where 1 = not important and 10 = very important. Figure Five, below, gives the results.

Figure Five – Relative importance of using ROI to measure PR as... (Q5)



- ⇒ Three reasons for using ROI to measure PR appear to be by far the most important. Between 57% and 64% of the 100 respondents said that these were, *for proving the need for additional spend, as a performance measure and as a means of justifying PR spend*. The mean scores of 6.0 to 6.3 (on a scale of 1 to 10) are given in brackets on the chart. They show that these reasons are important to respondents, but not very important.
- ⇒ It is also worth noting that, as the low mean scores suggest, between 33% and 42% of respondents say these factors are not important to them.
- ⇒ Using ROI *to justify a reduction in PR spend towards the end of a campaign, or as a means of justifying the reduction of PR spend overall*, are important to around 30% of

respondents, but the great majority do not, or would not, use ROI for such a purpose. So these are not thought to be very relevant or important at all.

2.4 THE DIFFERENTIATION OF PR ROI FROM OTHER FORMS OF COMMUNICATION AND MARKETING EXPENDITURE

2.4.1 Possible impact of using an ROI measure on PR budgets

We asked, *“What impact, if any, would an ROI measure have on PR budgets?”*

Government

- ⇒ The great majority of respondents in the government and public sector thought that it would probably make no difference at all.
- ⇒ A few thought that it might focus minds a little more on expenditure, but some of these were not sure whether that would increase budget availability or not. Several saw it as a threat because they feared that the use of ROI in this way would result in budget cuts!

Commercial organisations

- ⇒ Opinions were divided in companies between those who thought that ROI as a measure might offer an opportunity to justify an increase in budgets and those who feared budget reductions because ROI might not appear to work in their favour. There seemed to be more positive, optimistic views than pessimistic ones.

Optimistic

A fairly significant effect – it would help enhance budgets possible or make investment more focused.

It would demonstrate PR can have influence on the bottom line and may increase the budget. Absolutely, I hope it would increase the budget/would probably increase if could show it works.

Pessimistic

It would probably reduce the budget because I am not convinced we have robust measurements at the moment and the jury is out on what effect PR has on our brands.

Probably at the moment it would decrease budgets – we need proof of the success of PR.

- ⇒ There were also some who did not really expect to see any change because they could not envisage how it could be done.

I am not convinced you can have an ROI measure on PR budgets

2.4.2 Assessments of ROI that have been taken into account

The question was asked, *“Have any assessments of ROI been taken into account when reaching these decisions?”*

- ⇒ 28% claimed that, *“Yes, they had been considered”*.

2.4.3 Differentiation of PR expenditure from marketing or other forms of communication

We asked, "Would proof of the effectiveness of your PR spend affect investment in other forms of marketing communication, e.g. advertising, sales promotions etc?"

- ⇒ In the government sector several respondents made reference to measuring ROI in advertising because it is thought to be more tangible, but most said that PR effectiveness would not be able to be used in a way that affected other communication budgets. No one said they practised this anyway.
- ⇒ This view was also strongly held amongst the companies interviewed, as the following verbatims demonstrate.

The reputation of ROI in advertising is solid but ROI is not used in PR

It is similar in terms of brand tracking but from a tactical point of view it is very different. You can't measure tactical PR.

- ⇒ In pursuing this issue, it became apparent that some respondents held the opinion that PR had its own value so there is no need for any form of quantifiable measure like ROI.

The issue here is that we know PR's value so it is not applicable

- ⇒ There were, once again, a number of references to using AVEs, but no effective examples where it could be said that PR budgets benefited at the expense of other communication activities, even by these means.

We work very closely with the advertising and sales teams – the objectivity of editorial coverage is hard to judge in terms of ROI but we do tend to be able to show positive AVEs.

- ⇒ Where there was measurement of PR it was often as a part of the overall marketing communications programme with no effort or intention of balancing PR against other budgets.

We measure PR programmes themselves for coverage but they are not completely separated from other forms of marketing communications.

- ⇒ It was during questions like these that we did sometimes wonder just how well informed (a few of) our respondents were about their business as a whole!

I have no idea because I don't speak to the advertising and sales people

2.5. THE DIFFERENTIATION OF PR ROI IN A CRISIS SITUATION

2.5.1 Measuring and reporting PR value in a crisis situation

The question was, "How do you measure and/or report PR value when you are using it in a crisis situation?"

- ⇒ The great majority of organisations in both the public and private sector rely on some form of monitoring of media and press. Little of this seems to be planned, proactive or immediate.

By analysing media coverage of the crisis. We do a message check i.e. we analyse headlines and the body to see if a positive message is getting across

We do media evaluation and survey of cutting agencies.

- ⇒ Significant numbers say that they have no formal system set up but rely on informal assessment as the crisis develops which is purely subjective.

We look at it purely through subjective evaluation – we look at column inches.

We look at complaints received, press coverage and customer services feedback.

- ⇒ Many organisations measure effect after the crisis.

We don't tend to measure until after the crisis – we use press cuttings and look at focus groups of key audiences. We look at the effect the crisis has on the bottom line returns of the company.

We measure by assessing the positive and negative press coverage and then review it to see if it could have been done differently

I am not sure you can measure it as much as you would like in a crisis – you tend to look back later and see what was achieved

- ⇒ Others say that they do not have any plans for handling crises at all.

There is not formal measure – it is pure, gut feeling

We don't measure it in the way we should. It is largely retrospective

- ⇒ A very few organisations in the private sector say they do have a formal, proactive plan in place.

We have our own evaluation methods to see if our reputation is protected and if the message is being transmitted to our key audiences.

2.5.2 Measuring and reporting PR value when keeping the organisation out of the news focus

When asked, "How do you measure and/or report PR value when you are using it to keep the organization out of the news/headlines?", many respondents simply said that they did not, or could not, do this anyway.

- ⇒ The public sector was particularly firm in saying that they did not do so because they were concerned about being seen as dishonest and they were not sure about trying to do so.

It is difficult – people don't recognize the fact that local government can't keep things out of the news because they are then not regarded as being honest.

That is more difficult – it is not easy for a political organisation to keep out of the news

- ⇒ In the private sector companies did not seem to have much awareness of measuring or reporting PR value in keeping themselves out of the news when they needed to do so. Many said they made no attempt to measure it.

It is very much finger in the air – I am not sure that we do measure it.

That is a good question – it is difficult to say – it is like an iceberg 7/8 under the water – it has to be a qualitative judgement.

- ⇒ Some take this as the reverse measure of media coverage

We look at it as media coverage and see how many have reported it.

We have a media evaluation supplier précis.

- ⇒ Some respondents simply referred to having good working relationships with journalists and they said that they relied on this.

It is difficult – a lot comes down to relationships built with journalists. It is intangible so you can't really measure it.

- ⇒ A very significant proportion of respondents either did not take the question seriously or said they just did not know how to answer.

It is impossible to measure – you can't give an invisible cost of not achieving headlines etc.

It is totally valueless – you can't measure what is not there

2.6. MEASURING THE PERFORMANCE OF PR

2.6.1 Recent measures to assess PR performance

Question – *“What measures have you taken to assess and/or measure PR performance in the last three years?” How have you achieved this?*

Government

- ⇒ We found that all except one of the government respondents was involved in regular and quite comprehensive measurement of PR performance. This was equally divided between internal and external research and evaluation.
- ⇒ Government organisations use external research consultancies and other specialist agencies for regular assessments.

We use an external company to do evaluation on the media for us.

We use explicit media evaluation – we look at audience reach, frequency etc. It is handled externally.

We do analysis with hits, visibility in the media etc. Clippings and stakeholder analysis is done both internally and externally. We have developed a tool with an outside agency on research.

⇒ Internal processes are also used quite extensively in the public sector; often in conjunction with ongoing, externally run, tracking and research activities.

We have developed customer consultation strategy which looks at customer feedback, website hits and uses focus groups. It is all done internally at the moment

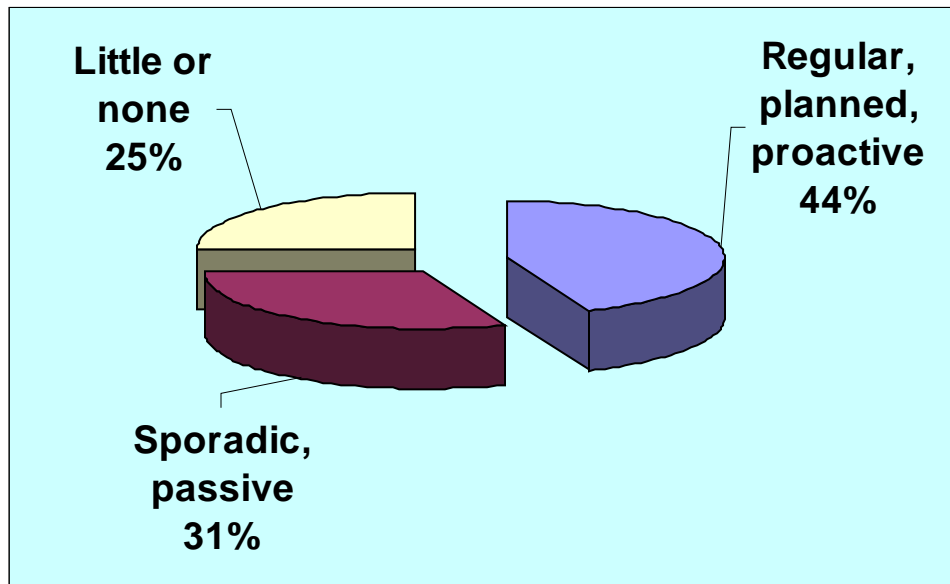
We have key performance indicators – we measure the effectiveness of press releases and have citizen's panels. All this is handled internally

Commercial organisations

We have synthesised the responses to this question from the private sector organisations into three broad categories. These are shown in Figure Six, and are:-

1. Those with regular, formal assessment processes of PR evaluation that are conducted throughout the year and are directly related to specific products, plans, strategies and activities. They all involve research input, both internal and external.
2. Enterprises where there is a considerable amount of evaluation by all means, from cuttings to more sophisticated media evaluation. This will also include statistical sampling surveys, tracking and qualitative research like focus groups, as well as evaluation among journalists. This is rarely maintained on a planned or regular basis, however, and can be quite sporadic, often reacting to a situation or the latest strategic plan.

Figure Six – Measures to assess PR over recent years (Q9a)



3. The third category covers organisations where there may be occasional PR evaluation when reacting to a specific situation, but for the most part there is little or none and certainly no regular evaluation.
 - ⇒ Figure Six shows that 44% of the 80 respondents in the private and service sector had some form of regular, planned formal assessment process of their PR that allowed them to monitor changes over regular periods of time in an objective manner.
 - ⇒ 31% also carried out quite extensive evaluation, but sporadically, and 25% did not effectively assess their PR.

Examples of regular, planned PR assessment

We do message penetration, impact on brand consideration, attitudinal surveys. The first two are done externally and the third internally.

We really measure it by seeing if our key message has been delivered to the audience. We have a number of tools – we use reputation surveys through the likes of MORI etc., we do weekly media reports based on clippings.

We have benchmarking across the industry and see how we are regarded in our group. We look at the value of the coverage we get. Some of this is handled internally, and some externally.

We have introduced an evaluation of media coverage and we subscribe to a reputation survey amongst our target audiences. We use external agencies for this

We have our monthly analysis against our own criteria. We have a half-year and annual review. The analysis is done through Metrica reports. We track this over time as to how close we are.

Examples of sporadic, limited or passive assessment

It is difficult to say how we measure. Historically it is based on cuttings produced but that is very archaic stuff. It is done internally and is literally a daily set of cuttings.

We only measure pro-active PR; we look at audience reach and weighing of key messages. This is done externally.

We have looked at cuttings and use of our stories. We have regular meetings with the local press. This is all handled internally.

We measure by clippings analysis. It is done internally by measuring column inches and putting AVEs on it.

Examples of little or no assessment

We have done crude analysis around the number of articles that have appeared. We had a graduate in to work solely on it.

We don't undertake any measuring and the sooner someone can come up with a method of recording ROI the better.

2.6.2 Monitoring PR performance

Question - *"Have you monitored the performance of these activities over this period?"*

- ⇒ 51% claimed to have monitored PR performance during the last three years.
- ⇒ The proportions were approximately the same for both public and private sectors.
- ⇒ Our analysis of replies to the earlier question in Section 6.1, led us to estimate that around 44% of organisations interviewed actually carried out assessment in a manner that could be used to track or monitor regularly. This is a lower figure, of course, which suggests that there are different views about what is effective, ongoing tracking and monitoring.

We then went on to ask how the PR had been monitored.

- ⇒ In the government sector there seemed to be extensive use of "consultants" of various kinds. Qualitative research through focus groups, various surveys, customer feedback, media coverage and cuttings were the primary methods employed. Benchmarking was mentioned by at least four respondents and there is some trend analysis, so it appears that the government sector is now seriously engaged in the monitoring process, as our earlier question revealed in Section 6.1
- ⇒ The other 80 organisations that were interviewed had a number of methodologies that tended to fit in the following categories. These are listed in approximately the frequency with which they were mentioned.
 - 1) Regular reviews and meetings using data from media coverage, analysis, monitoring, surveys, feedback from staff and customers and competitor performance. Often this is quarterly or even annual.
 - 2) Benchmarking and, or, Tracking, mainly on media coverage or other specific objectives
 - 3) Value of key messages and media coverage
 - 4) Media evaluation and monitoring
 - 5) Customer surveys and other regular methods of receiving information
 - 6) Use of Key Performance Indicators, built in to an evaluation process
 - 7) Use of trend analysis and other models, often set up and run by external consultancies

2.6.3 Plans to improve assessment and monitoring of PR performance

- ⇒ 59% say that they have plans to improve their assessment or measurement of PR performance over the next year. This represents 8% more respondents than those who claim to carry out such assessment already, and the proportions were almost the same in both public and private sectors.

- ⇒ When asked how they planned to achieve this improvement respondents gave a very wide range of replies and numerous different examples that can be seen below, and in the appendix. The overall impression is that there are only a small minority of organisations with firm dynamically geared plans for significant improvement in PR assessment and measurement.

Government

- ⇒ There were a significant number of stated intentions and plans to carry out improvements in such monitoring. A number were not very specific, but some had firm plans made.

We are putting together a strategy that will cover issues of benchmarking and justification.

There will be a move from annual assessments to quarterly dashboard reports

We have hopes to use an independent company or a model provided by them to receive regular reports and sustained analysis of our reputation viewed through the media coverage we get.

- ⇒ The constant pressure on the public sector to target and measure performance is also evident in what they expect to be doing in the future with regard to PR.

We will be subject to a national set of competencies, which will be imposed on us and not developed by us.

There will be a comprehensive assessment, which allows public organizations to measure and quantify communications.

Commercial organisations

- ⇒ The range of intentions, wishes and also concrete plans that were put forward in response to this question is extensive. They have been summarised in approximate order of priority, from 1 to 6.

1. Firstly, many people have plans that are really extensions of what they do already, but more refined and improved. Some of them seem to be just tinkering with a process that is not very effective, and others are clear advances.

We will improve in certain communications areas only – it is about stakeholder feedback, dialogue meetings, tracking, market research and media coverage

We are planning to build on what we are doing and continue to subscribe to audience surveys

2. There were a very significant proportion that had very vague plans and ideas where there has to be some suspicion that these are not committed to, or thought through.

I need to get a grip on measurement. We are undertaking an audit of all brand PR to evaluate success.

We always like to think we are robust but we don't have any formal mechanisms in mind at the moment.

3. Another significant proportion of respondents demonstrated that, having said they were planning improvements in assessment or monitoring of PR, they really did not know how to do it.

I am being asked to prove ROI but I am not sure how I can do that

I don't know how we will do it yet – we have a number of options on the table

4. There were also quite a few enterprises where there were various plans afoot to use research more and to develop the quality of information fed back from surveys. However, there seemed few firm indications of precisely how this information would be better used in the future to monitor or track PR effectiveness and delivery.

We will undertake a reputation study of PR and assess the techniques used and how successful PR has been.

We will do it by expanding the geographic scope of analysis, assessing awareness of our company amongst the target audience.

We need to do really detailed monitoring evaluation at a corporate level with our stakeholders etc. We need to blend evaluation with consumer brand and at an international level.

5. The use of models with input from improved media evaluation or other more sophisticated measures was only mentioned by a few respondents. In most cases they were referring to working with external consultants and sometimes with their current or new PR agencies.

We have hired an agency who will use evaluation methodology but I am not sure what.

We have appointed a new agency to do press evaluation. We are changing the basis of how we do opinion-former research.

We are working on a project basis with a PR consultancy and have spoken to them about possibly doing more strategic measurement, but we have not got any formal plans at the moment.

6. There were a handful of around 4 organisations where there seemed to be sound and effective planning in place to improve assessment and measurement of PR.

We are starting to work to proper campaign plans and the next step is to set more measurable targets on messaging and coverage.

There will be a communications/PR plan developed after April with a new team. This is yet to be developed

2.7 REPORTING ON THE PERFORMANCE OF PR

Question - "How do you report the assessment and/or performance of PR?" And, "To whom do you report the performance of PR (by job title)?"

Before reading the results, it is worth noting the randomly selected list of typical respondent job titles that is set out below so that we can see where respondents are likely to be positioned in the organisation. It is drawn from the whole sample of respondents. Where titles recurred frequently they have not been repeated. These

are the typical people who are discussing the reporting of PR in the following answers.

Head of Group PR	Head of PR	Brand PR Manager
Communications Director	Head of Press	Head of Corporate Affairs
Head of Corporate Relations	UK Head of Media Relations	Head of Policy Review
Head of Communications	Public Relations Manager	Head of Communications
Head of Media Relations	Director of Internal	Corporate Communications
Communications Manager	Communications	Manager
Director of Corporate Affairs –	Executive Director	CEO
Europe	Head of Communications and	Senior Director – Global Media
Director of PR	Marketing	Affairs

Government

- ⇒ Formal reporting is the norm in the government sector but the detail, extent and frequency varies greatly. Many are written reports, based upon whatever method of measurement is employed, but primarily telling the story of what PR activities and performance have occurred. Some reports include staff performance too.
- ⇒ The majority of respondents in the survey were at head of department or director level, with a few of CEO grade and also a few who were at PR manager level. Consequently, most of the reporting is into the Board and CEO from Director or Head of Department level, or equivalent.

We report to the Head of Corporate Affairs and the Chief Executive and tell them how we control bad news well and keep them up to date on positive PR. We report monthly, and as and when.

- ⇒ Committees often receive reports on PR activity too.
- ⇒ Many of the most senior level managers just make informal, occasional reports to their immediate superior

Commercial organisations

- ⇒ Monthly and quarterly written reports are given to the CEO, MD and others on the Executive Board, where appropriate. Such reports usually show what PR activity has occurred and what is planned. There is some overall evaluation and assessment, but it is difficult to decide exactly how much, or how objectively this may be approached.
- ⇒ Much reporting is also directly linked to specific campaigns

Typical replies were given by:-

Heads of Department, PR Directors, Communications Directors etc.

We report by analysing the cuttings and drafting them into an internal report for the CEO and Board

It is reported monthly in written form to our airport board i.e. the MD and quarterly to the group board i.e. the CEO

We measure specific campaigns and report to the Senior VP and Financial Director.

Middle level PR management

Every month we have a written report covering the major PR issues and giving a resume of the value of cuttings and publicity. This goes to all directors of the Board and the MD.

There is a quarterly evaluation process, which is part of the marketing report which goes to the Executive Team and CEO.

- ⇒ Not all organisations do have formal, regular reports. They either rely on informal reports as considered necessary, or even no reporting at all.

It is a mix of verbal and written reports but there is no formal measurement because we are a matrix organization. It goes to the President of Europe.

We don't have to report formally to the board. We probably will need to do a quarterly short written report of our activities to the Chairman.

It is very informal – one to one meetings with the Head of Marketing when I bump into him in the corridor. I let him know what is happening.

I just give a verbal briefing to the Group CEO – I prefer not to elaborate on that.

- ⇒ Since major organisations are often multinationals, this requires PR reporting to extend along organisational lines to HQs in other countries when the reports are produced by the heads of PR.

We report the results we have achieved by analysis and trend and share the agency (Metrica) report with the UK MD and VP – Marketing – USA.

We do a presentation of editorial value and media auditing on an annual basis. This goes to the VP and General Manager of European Operations.

We do documentation and presentations of activity which goes to regional performance teams in Europe.

We measure the effectiveness of PR and identify areas of growth and improvement, which goes to the President of International Business and the Global Head of Communications.

- ⇒ There were some instances where quite detailed reporting of PR measurement was used right to the top level of management but this tended to be exceptional.

We have a scorecard, which is regularly updated with metrics on targets and how we scored on reaching them. That goes monthly to the Vice President of PR and the European President

We evaluate the activity, circulation and readership or PR achieved and AVEs which reports to the CEO and representatives from local trade and funding partners

- ⇒ There were one or two respondents who actually described ROI-type data that was used to make regular reports on PR.

We report the bottom line to the CEO. We inform him of the amount of coverage generated in terms of quantity and investment

2.8 BEST PRACTICE IN ASSESSING PR PERFORMANCE

- ⇒ 64% of respondents claimed to have looked at best practice elsewhere when assessing their own PR performance and, again, the proportion was almost identical between the public and private sectors.
- ⇒ Respondents in the government sector seem to be equally divided between looking at the private sector, other government departments and the IPR, each of which receives significant attention when seeking best practice information.
- ⇒ Private sector organisations also seek information about the way competitors; key players in their sector and other companies in their area generally perform in the PR arena.

We have looked at other competitors and our suppliers' best practice

We have talked to other companies and to colleagues

- ⇒ Other industry sectors, PR, research and media evaluation agencies as well as consultants working in other sectors and, particularly other well-known enterprises, are favourites to study for PR success.

We do competitor benchmarking and look at other industries

We look at some other companies in different industries.

- ⇒ The IPR is widely regarded as a good source of information leading to best practice advice, and is ranked third against the previously listed sources above. Often the IPR is an important first stop among a list of other sources within the public domain.

We look through the Internet and at other companies. We go on IPR courses.

The IPR have very good best practice systems on audit and feedback.

I have approached the IPR – I would love them to help more – they are not as vocal as CIM.

- ⇒ Numbers of respondents look inwardly within their own enterprise, especially where there are either very competent PR teams elsewhere in the organisation, or the business is very diverse. This is also true within the public sector in huge organisations like the NHS

We have looked at best practice within the organization.

We look at the parent company to see what they are doing.

- ⇒ Professional bodies and groups within the relevant industry sector also offer very valuable sources of information when building best practice observations from other sources and from case studies

We go to industry groups and organizations like “Communicating in Business” and to industry specialists.

We have looked at the IPR/PRSA and commercial agencies such as Echo and have also talked to experts and done literature trawls.

2.9 WHERE PR IS MAKING A DEMONSTRABLE CONTRIBUTION TO THE ORGANISATION – CASE STUDIES

Researchers dedicated some time to discussing answers given to the following question.

“Will you kindly give an example of where your PR has been demonstrably effective? Will you please explain how it was effective, why it was so effective and indicate what this meant in terms of revenue, profit or other cost-benefit figures?”

- ⇒ No respondent was able to provide firm examples of benefits from PR in terms of revenue or profit in an ROI framework, although several did offer some specific costs saved or a general figure representing the likely increase in revenue. Cost-benefit, where it could be defined, was given in various ways, a significant number of which could then possibly be translated into cost or revenue, but not ROI.
- ⇒ The huge variation in the examples given and the interesting details contained within many of them have encouraged us to enter many of these mini case studies in the report as they stand, so this what follows. We have also shown each example within the sector of PRI members from which it was drawn; such as government, health, finance, IT, leisure etc. The full list of examples is contained in the appendix.

Government

Cases where returns have been measured

The council bought a WW2 airfield and had plans to build a business park on it based on a very successful one in Philadelphia. It was environmentally friendly and would also support domestic housing. The Council said there could be no expansion so we had two weeks to overturn the planning vote – we took the local press at two day's notice to get them together with the leader of the Council. We did solid PR editorial when we got home and we won the vote by three, which led to a saving of £28million.

There has been a government initiative to get small businesses to be IIP and we have done a lot of press releases around this and have been able to see a large upturn in the number of enquiries received.

We had an instance where use of our swimming pools in the leisure sector was down so we did a PR campaign and receipts are up 15%.

We did a streetwise campaign to encourage the reduction of begging in the streets. We tried to get the beggars into treatment. We wanted to educate the public not to give to beggars but to give the money to projects aimed at getting them off the street. We had some success in this which has resulted in a reduction of beggars so we have measured public opinion of the success of the campaign.

Examples of how PR has been used to good effect, but not in a measurable way

Our social services department was put on special measures because of under performing in child protection. We managed the news around it and kept promoting what we were doing. It did play a big part in helping us get off the special measures in record time.

We ran a campaign on underage sales of fireworks, cigarettes etc. We put together a tool kit for local retailers outlining what they should and shouldn't do. It has been successful because retailers are now on the side of the council and are reporting incidents of attempts at underage buying to us – you can't put a money value on that.

We have been through a lot of staff changes and have outsourced a huge amount of home care services. We have had to communicate with the staff and UNISON and because of good PR that went through very smoothly.

Cases of crisis management

We had an elderly lady who had died after moving from one care home to another. The Doctor and her family had warned us it would happen. An inquiry was set up about it so we had media briefings to show we would be open and accountable following having been criticized for being secretive. The media now praises us.

We had the death of a young man on an outward-bound course we ran. He couldn't swim and got swept away. Because he was black, his friends perceived that if he had been white he wouldn't have drowned. It was a potential race situation so we created an emergency team, contacted parents, dealt with the police and used communication techniques to engage the kids on his estate. Ultimately we deflected a potential race riot.

Automotive, food manufacturing, retail and transport

Cases where returns have been measured

We have a CCCC to display – there is no advertising about that, we have just done PR. That PR brought in 10,000 extra visitors to our viewing park, which made a massive difference in takings.

We ran a PR campaign to our farmer members to get them to alter their calving patterns by putting the cows to bull at only certain times.. We did market research amongst our membership afterwards and there was 90% recognition of the campaign and 50% of our members took note of it and acted on it which meant we didn't have too much milk at a time when we didn't want it.

Examples of how PR has been used to good effect, but not in a measurable way

We had a LLLL launch last year. It was the biggest launch ever for a limited edition fragrance. The dance music in the advertisement went straight to Number 1 and we did a lot of PR to back the marketing – we got out stuff in the papers about how to dance to the music so I would say it was a 50/50 marketing/PR contribution to the launch and it was the best ever sales of a LLLL edition.

We were thinking of introducing DNA kits for our staff who might be assaulted (they get spat on a lot). It gave us £100K of coverage and we got internal coverage too. Not only that we have our first prosecution coming up as a result of using the kit. (Trains)

We run a programme in summer called AAA- Academy of Performing Arts and we have a celebrity launch. Young people audition for a show here in Belfast for 8 weeks. We get loads of publicity, which is far more than we could pay for.

Finance

Cases where returns have been measured

We did a campaign targeted at small businesses. We measured it through Metrica analysis and a survey. For every £1 spent we got it back 20 fold.

Examples of how PR has been used to good effect, but not in a measurable way

It was after the Anderson transaction when they had the hiccups with Enron. From our point of view we had to make sure we weren't tainted by Anderson's reputation. Basically we did a solid and well planned media relations campaign so our reputation was protected and showed ourselves as being honest.

Last year was the only communications support we had in the absence of above the line. It gave greater understanding of PR and has made us the first port of call with the media which leads to more awareness which leads to more sales.

The exposure we have got in the national press on our services and benefits has brought customers to the business and we can prove that by using freephone numbers and asking callers how they have heard of us

Health, Charities and Interest Groups

Examples of how PR has been used to good effect, but not in a measurable way

We have a new initiative here to do with modernising health centres and GP surgeries in partnership with the private sector. We have done a PR campaign and got good coverage plus it has encouraged people to give their views on what they want and to see in terms of changes and improvement

It is quite effective in improving internal communications and getting a cultural blend-in within the organization. It involves people more so that improves staff morale, which has helped the personnel development people, which improves knowledge and interest in what we do.

Crisis management

A month ago our Legal Director was involved in a £1 m scam. We decided to recover the money. We were upfront with the story so we briefed the trade newspapers and so far there has only been one significant story in the consumer press that was a challenge.

We had a situation where it became known that we stored X,000 hearts in the cellar of the hospital. The PR was handled very sensitively with parents and the media and as a result none of our regular donors resigned.

IT, Telco and Technology

Cases where returns have been measured

We had positive ROI results in 2002 and we used that to get a large slice of the marketing budgets to come to PR. It was when we were changing the brand to TTTT Broadband. We did a heck of a lot of activity to bolster existing marketing activity like branded smart cards, launch stunts in every region so that we could demonstrate the money was well spent because brand perception improved phenomenally.

We made an announcement about BT Broadband strategy a couple of weeks ago and it was incredibly successful. We did a media/analyst evaluation and it raised our share prices – We were the only FTSE Company in that day to do so, everyone else's went down.

Examples of how PR has been used to good effect, but not in a measurable way

We launched global outsourcing solutions in the UK with very limited advertising. The majority went into PR and educating what the benefits of outsourcing are. We were literally evangelising. We knew we were successful because we get a lot of requests to participate in vendor selection

We are able to demonstrate a direct link to positive PR coverage and increased sales in a handset.

Crisis management

Protestors who took direct action against our masts led to media and press lumping us in together with all the mobile networks and reports on the problems associated with them. We prepared key facts and telephoned everybody with the 5 facts that meant we managed to contain the story of the protestors' actions.

Leisure, Tourism and Travel

Cases where returns have been measured

We did a re-launch of classic GGG (leading brand of toys/games). We did a press conference, a mall launch, competitions etc. We did it in multiple global markets and as a result we have doubled sales.

Examples of how PR has been used to good effect, but not in a measurable way

We did a "Growthology" exhibition, which is the science of nasty things inside our bodies a few months ago. It was PR generated and huge amounts of publicity led to one of our largest turnouts. We ran into capacity problems and it raised our profile tremendously.

Manufacturing, Production, Engineering and Energy

Examples of how PR has been used to good effect, but not in a measurable way

In the product areas in which we operate we have, in the UK, had new drugs that have been quickly adopted through the medical profession reading data driven PR, which leads to more sales.

On some of our acquisitions we have needed to get positive message to our customers and employees. We do this through press activity, media communications etc. It may also involve corporate and social responsibility.

Crisis management

In specific crisis we have media relations and have saved a loss of revenue and reputation after a disease outbreak as a result of one of our manufacturing sites.

3. BEST PRACTICE CASE STUDIES

A simple but fundamental question that we have asked while compiling this section of the report and one that we believe could be applied to the PR industry as a whole when seeking to prove its effectiveness is, "Has this PR programme/project made a difference?" Such a question leads naturally to the application of much more credible tests for evidence-based PR, such as, "Has awareness been raised?" "Have key messages been delivered (and, ideally, changed attitudes and opinion)?" "Have we generated sales enquiries?" etc.

3.1 BEST PRACTICE EXAMPLES

The following case studies have been selected to demonstrate best practice PR ROI or, more accurately, evidence-based PR. For obvious reasons of confidentiality not all measurement data can be reported, meaning that some generalisation is inevitable. In addition, some case studies were submitted using AVEs, which have not been included because the authors believe these do not represent best practice (see comments in 'Conclusions and Recommendations', above).

The case studies have been kept deliberately brief and a comment is provided to emphasise the importance of the measurement process for each one.

3.1.1 Building Archant's Profile

Background: in March 2002, Eastern Counties Newspaper Group changed its name to Archant to reflect the regional and specialist magazines as well as local newspapers that it owned. A few months later, Archant was still not recognised as a major player in the media market by prospective employees or the business community; and, despite its growth, felt this was holding back its potential for expansion.

Objectives: Archant's objectives to PR consultancy Propellor Communications were to raise awareness of the company as a regional and specialist community publisher; to encourage potential partners for mergers and joint ventures; and to keep and attract employees.

Measurement: market research conducted by Prism Strategy demonstrated a rise in spontaneous awareness from 20% to 72% and in prompted awareness from 63% to 96% since the campaign by Propellor Communications was started.

Comment: *cost is normally the reason cited for not using market research to measure PR programmes (it is used extensively for advertising), particularly as studies need to be conducted pre- and post- campaign for comparison purposes. It is, however, a very effective way of measuring the outcome of a PR programme and one that allows direct comparisons with other forms of marketing communication, such as advertising.*

3.1.2 A New Audience to Boot, for Timberland

Background: although the company's audience was defined as 18-44 year olds, the brand was in danger of being viewed as mainly for 'staid forty-somethings'. Research commissioned by Timberland's PR consultancy, Shine Communications, revealed that spending power of 18-24 year olds, which had previously not been targeted, made this an ideal market.

Objectives: Timberland agreed and the following PR objectives were set for the campaign:

- Build recognition for the brand as 'hot, young and trendy' among the new target audience
- Educate and excite the new audience while not alienating existing, older customers
- Help to drive sales

Measurement: independent evaluation carried out by Media Proof identified that between February 2001 and January 2002, 757,318,000 OTS (opportunities to see) were created, equating to 107,001,000 OTS across TGI* (Target Group Index) selected data for ABC1 18-24 year olds.

A stockist number was printed with the majority of pieces published, with two pieces in the Style section of 'The Sunday Times' resulting in 650 calls being made to the Timberland switchboard. On each occasion the featured shoes sold-out nationally in one day.

An increase in UK store sales of 26% was recorded between February 2001 and January 2002, with much of this attributed to the PR programme.

* Target Group Index is a proprietary BMRB database of people used to define consumer demographics, lifestyles and media habits.

***Comment:** this example demonstrates the power of good PR planning, with obvious benefits not only for the client but also for the consultancy, which clearly (and quite correctly) benefited financially from its innovative approach. It also demonstrates the value of making a strong business case through careful planning and measurement, which allows the link to be made between effective PR and actual sales. In such instances an actual ROI figure could be applied, with care, although none was presented in this instance.*

3.1.3 Reshaping InterContinental Hotels and Resorts

Background: research revealed that InterContintal was perceived as a rather stuffy brand in need of modernisation and that this was beginning to have an effect commercially in terms of occupancy and yield. In order to re-establish the brand a two-year programme of research and development was undertaken among guests, frequent travellers and employees. A major refurbishment programme was implemented and a new identity launched to revitalise the InterContinental brand.

Objectives: these included the identification of a central communication idea to achieve global media coverage, the raising of awareness of new in-hotel service initiatives and the encouragement of journalists and new guests to try the brand while maintaining loyalty among existing customers.

Measurement: one month after the campaign was launched, InterContinental reported its highest hotel occupancy since November 2000 and highest rate since September 2001. This combined with an increase of 17.6% of internet bookings.

Analysis by Metrica revealed that global OTS increased by 125% over and above the benchmark period prior to the campaign, with significant increases of coverage across all international regions. In addition to quantity, the quality of coverage also increased with 95% of articles delivering at least one key message compared with 71% prior to the campaign. Research conducted by Millward Brown indicated a marked increase in the inclination of potential guests to stay at InterContinental hotels.

***Comment:** another example combining pre- and post- campaign evaluation with research, enabling a change in attitude among customers and prospects due to the PR campaign to be revealed and highlighted. This, combined with measures such as internet bookings and occupancy rates, provides a compelling business case for the effectiveness of PR.*

3.1.4 Hadrian's Wall National Trail

Background: the Hadrian's Wall path took seven years to complete at a cost of £6 million, allowing walkers to follow the entire length of Hadrian's Wall from Wallsend to the Cumbrian coast.

Objectives: The Countryside Agency and Navigator PR were tasked with ensuring that the opening of the new Hadrian's Wall path was widely known and to encourage walkers to use the trail.

Measurement: print OTS were estimated at 20 million and television OTS at 8 million. Visitor numbers at Hadrian's Wall sites increased by up to 50% over the previous year's figures and the Hadrian's Wall public bus carried 70% more passengers than the previous year. 25,000 trail information leaflets sold-out, requiring a re-print of 30,000 and 4,000 official guidebooks also sold-out within three weeks. The Hadrian's Wall Tourist Partnership produced 25,000 accommodation guides, which sold-out within three months, and hits to the Hadrianswall.org web site increased by 50% over the previous year. Last but not least, the Hadrian's Wall Information Line received four times as many enquiries as usual.

***Comment:** a superb example from the not-for-profit sector of relatively simple but powerful measurement that makes a strong business case for the success of the PR campaign. In particular, the use of comparative measures provides an excellent demonstration of how the PR programme made a difference.*

3.1.5 BT Speaking Clock and ChildLine

Background: as part of the BIG Listen week, BT Retail's consultancy Sinclair Mason developed a national competition with BBC Television's 'Newsround' to find a young person's voice for the Speaking Clock for one week. The winner was a 12-year old girl from Scotland.

Objectives: to raise money for the ChildLine charity and raise awareness of BT via the Speaking Clock.

Measurement: the scheme generated 2.45 million calls, resulting in over 2,000 entries and raising £200,000 for ChildLine. In addition, a 407% increase in the number of calls to the service was recorded within the first two hours of the campaign, compared to an annual decline of 8% to 12%.

***Comment:** another example from the not-for-profit sector, which uses inexpensive comparative measures that provide compelling evidence of the success of the campaign for both BT and ChildLine – and not an AVE in sight!*

3.1.6 The Young Essex Assembly (YEA)

Background: the YEA is an assembly of democratically elected young people aged between 13 and 19 who act as the voice of young people of Essex. Launched in October 2003, the YEA had its first official sitting on 31 January. The assembly comprises 69 members from the 12 districts that make up Essex and focuses on bringing the issues of young people to the attention of all agencies and organisations who work with or provide services to young people in the county.

Objectives:

- **Phase 1:** raise awareness of the YEA and encourage young people to stand as candidates.
- **Phase 2:** raise awareness of the polls and encourage young people to make their vote
- **Phase 3:** polls followed up using information on turn-out and publicity from the first official sitting of the YEA

Measurement: media coverage resulted in 122 requests for candidate packs and 200 candidates standing for election, with over 19,000 young people voting.

***Comment:** an example from the public sector that demonstrates the importance of defining objectives at the outset. If any criticism can be made it is simply that the objectives could have been more specific by defining actual numbers to be achieved, although the results are still impressive and do largely speak for themselves.*

3.1.7 Volvo XC90: A Holistic View of the Launch

Background: Volvo was keen to maximise the introduction of its new XC90 in the UK 4 x 4 market, which has grown by 400% over the past decade. Having invested a great deal of qualitative research prior to its launch, especially against the key segment competitors – the BMW X5 and Mercedes M-Class – the company was keen to give it the best possible start.

Measurement objectives: to assess the launch of the XC90 in as holistic manner as possible, integrating all available data sources to prove its success

Measurement: Millward Brown Preci's evaluation of the launch revealed that:

- the XC90 contributed around 45% of the PR impact generated for the whole Volvo brand, which it boosted across a 15-month period
- 85% of the UK adult population had an opportunity to see XC90 coverage at least once, with frequency increasing significantly for core target audiences
- almost twice as many people claimed to be very familiar with the XC90 than of either of its two key rivals
- an immediate surge of people accessed the internet to request information around the Detroit show and personal enquiries began to build as models became available to view in showrooms
- As sales had largely been achieved through the PR programme the company was able to cancel advertising and save £2.5 m

***Comment:** an example of the integration of media evaluation with market research and other measurement criteria, such as web visitors. The decision not to carry out advertising following the success of the PR programme saved Volvo a great deal of money and clearly demonstrates the business value of the PR programme as well as the measurement process itself.*

3.1.8 Turning Up the Gas

Background: Today, British Gas provides over 20 products and services for the home, from electricity to e-billing, fires to fireplaces, security to savings and trusted tradesmen to telephony. PR planning and measurement play a large part in aligning offering, message and media to target audiences as well as determining how successful communication has been and how results can be used to shape future communication.

Objectives: to build understanding that British Gas can provide the advice, products and services that people need for all things relating to the home and to communicate messages around 'range of services', 'taking the hassle out of running the home' and offering 'value for money'.

Measurement: at the planning stage a communication 'road map' was developed using TGI to prioritise and align the British Gas offering with target audience and media. Focus groups were also used to develop and test messages and propositions. Using Echo Research and i to i tracker, it was determined that:

- The 'Home Services' PR campaign overall reached 70% of the target audience 2.5 times
- 27% spontaneously recalled elements of the PR campaign, with 'value for money', 'range of services' and 'taking the hassle out of the home' identified as the most successfully communicated messages
- Year-on-year comparisons revealed a strong association between those that had seen the PR and response to long-term key message uptake
- Those who had seen the PR were twice as likely to say they would contact British Gas for home services in the future
- British Gas was able to provide a cost-per-person-influenced measure based on preference and propensity, which allowed the company to predict the effectiveness of PR activity against different levels of budget, resulting in a four-fold budget increase for 2004

***Comment:** another example of integrated research and media evaluation. In particular, this case study demonstrates the very strong business case that good measurement provides, with a four-fold budget increase resulting directly from it.*

3.1.9 The 3D Mummy

Background: SGI is best known as the IT company behind the graphics in Hollywood blockbusters such as Jurassic Park and Toy Story. More recently, the company has developed its 3D visualisation technology, used by car and aircraft designers, oil and gas engineers and pharmaceutical companies to study huge volumes of data in a visual, 3D format that enables highly complex problems to be understood and solved.

Objectives: SGI's key objectives for PR consultancy, Portfolio Communications, were to profile and develop its positioning as a leading provider of 3D 'visualisation technology' to (ABC1) managers, scientists and engineers; demonstrate the power and versatility of SGI visualisation technology to address and solve data intensive problems; popularise visualisation technology and reinforce the company's reputation as world leaders in visualisation technology

Measurement: at the planning stage Portfolio used ConsumerPulse** to identify how best to reach SGI's targets with a creative approach that demonstrated the power of the technology on a priceless Egyptian mummy at the British Museum. Metrica's media evaluation revealed that:

- The campaign reached 68% of UK 'A', 56% of UK 'B' and 50% of UK 'C' adults (22 million people in all) with an average frequency of 2
- Message delivery was very strong
- 38% of online articles directed readers to the SGI website
- 68% of articles featured a graphic, which increased impact of coverage

As a direct result of the PR campaign the BM is opening a public exhibition in the summer of 2004, sponsored by BP, to showcase the mummy project for which a system valued at seven figures has been purchased from SGI

** ConsumerPulse is a proprietary Metrica database of people used to define consumer demographics, lifestyles and media habits

Comment: an example of combining planning and evaluation tools to target key audiences and then measure results against them, which once again allowed a powerful business case to be made for the project. However, the ultimate measure must be that the client received an order valued in seven figures directly as a result of the PR programme.

3.1.10 In Search of the Holy Grail

Background: Dow Corning Corporation is a multinational specialty materials and services company, which employs 8,000 people and is market leader in providing silicon-based technology for over 25,000 customers through more than 40 manufacturing sites, research facilities and customer service centres.

Objective: to measure overall return on investment from communication activity.

Measurement: the perception of customers and prospective customers is measured annually on a global basis against competitor benchmarks through telephone interviews conducted by Harris Interactive-Europe. A monthly tracking system records all impressions resulting from communication activity while enquiries are measured through customer call centres and visits to the company website.

Enquiries become 'contacts' when the person concerned has provided some information about themselves, prior to the lead generation and customer management process, which are also logged and reported.

In addition to external audiences, the perceptions and knowledge of employees are also measured. Using email and printed surveys, the effectiveness of communication on key corporate priorities and direction is measured once a year; and 'quick poll' techniques are also conducted through the company's intranet to help identify whether any fine-tuning of communication is required.

***Comment:** a particular point of this case study is the combination of measurement for internal as well as external audiences. Too often, the effects of PR programmes on employees are overlooked. As well as being a very important audience in their own right, this example shows that employees can also provide extremely valuable feedback by acting as "eyes and ears" for PR programmes delivered by their companies.*

3.1.11 It's PR Time for Miller

Background: using a relatively new form of market research, Miller Brewing Co, a division of Altria Corp, has been able to demonstrate the impact on actual product sales that PR has made relative to other forms of marketing, especially TV advertising.

Objective: to measure the effectiveness of PR against other forms of marketing communication activity.

Measurement: based on 2½ years of analysis, including sales data, promotional data, ratings data from Nielsen Media Research and PR research developed by Delahaye, Miller has learned that its PR campaigns generate 1.2% of base product sales, or 4% of incremental product sales (the amount of sales created specifically from marketing communication activity). Although Miller's TV advertising campaigns contribute 17.3% of incremental sales, the PR activity achieves results at a fraction of the advertising budget.

***Comment:** this case study demonstrates the use of market mix modelling, a relatively new technique that identifies the volume and profit contribution of each individual marketing activity as well as identifying how these activities can be improved to generate more sales.*

3.2 BEST PRACTICE GUIDELINES

Rather than provide a long list of tools and techniques, many of which have been demonstrated in the above case studies, we have identified three key principles to achieve best practice.

1. Develop objectives carefully and always endeavour to make them measurable by defining at the outset what *difference* the PR programme is designed to achieve.
2. Determine the measurements that will be used to demonstrate that objectives have been achieved at the outset (measurement is too often an after-thought, as a result of which there is too little time or information available to make it credible). Also remember that by measuring campaigns from the start, results can be fed-back on an ongoing basis to fine-tune or make any necessary changes to ensure that overall objectives are achieved.

3. If the results of PR campaigns are to be compared with other marketing communication disciplines, such as advertising or directing marketing, this should be done using credible measures rather than AVEs. For example, it is possible to measure reach and frequency for editorial coverage (as the case studies demonstrate), which can then be used to provide measures directly comparable with advertising, such as gross rating points (GRPs), cost per thousand, etc.

Another way of providing objective direct comparison and tracking between PR and advertising is to use market research to measure PR-specific campaigns (again as demonstrated by the case studies), from which changes achieved in awareness levels, attitudes, behaviour etc can be measured.