

Measuring Public Relationships

*The Data-Driven Communicator's
Guide to Success*

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In developing Procter & Gamble's dashboard, we knew from previous data that it was harder to earn recommendations from editors than it was to simply get brand benefits into a story. So we weighted the different elements according to the difficulty of generating each one and created a composite score that reflected the success achieved relative to the competition.

While this example might appear to be specific to a consumer packaged-goods company, there are elements that translate to any business. If you understand what drives customer behavior, and you understand how PR affects those drivers, then you can measure PR's impact on customer behavior. What you're doing is comparing marketing techniques through sales.

1. Start with the elements that drive the desired customer behavior. In cosmetics it was seeing brand benefits, brand photographs, and brand recommendations. In the different case of a major medical clinic, it knows that what motivates patients to come to the clinic is the recommendations of its doctors and their families, as well as the perception that the clinic's physicians are experts and that the clinic is the *only* place they can get that level of care. So it measures its media success by its share of stories that contain doctor's quotes and/or position the clinic as the best place a patient can get a specific procedure or specific types of surgery.
2. Measure success against the competition so you aren't measuring in a vacuum. You need to know how well you are doing relative to the competition, not just yourself.
3. Don't look at clip counts, but look instead at the percentage of the total target audience you have reached.
4. Factor the desired customer behavior into your measures of success.

Chapter 6

Measuring Trust and Mistrust

It is error only, and not truth, that shrinks from inquiry.

—Thomas Paine

Trust, or lack thereof, has a measurable effect on the financial health of an organization. The accounting firm Arthur Anderson was destroyed after the Enron scandal because its clients lost their trust in its results. Whenever news of tainted beef hits the airwaves consumers lose trust in the safety of their favorite burger and fast food sales take a dive. Conversely, a key to FedEx's success is that customers trust the company's pledge to deliver "When it absolutely, positively has to be there" overnight.

When trust helps an organization build relationships with key constituencies, it saves that organization money by reducing the costs of litigation, regulation, legislation, pressure campaigns, boycotts, or lost revenue that result from bad relationships. A high level of trust helps cultivate relationships with donors, consumers, investors, and legislators who are needed to support organizational goals. When employees trust their employer they are more likely to support the mission of the organization and be satisfied with their jobs. Lower employee turnover has a direct impact on the bottom line. Trust from the financial community is critical to an organization's access to capital and therefore its ability to grow. Good relationships with the media can often avert a crisis.

Typical Outputs, Outtakes, and Outcomes for Measuring Trust

Outputs: Number of times your brand is mentioned as trustworthy by the media

Outtakes: Change in perception of your organization as a trustworthy organization

Outcomes: Percent change in number of people that reinvest in your company and/or become repeat purchasers

Even though examples such as these make it clear that trust is important, few companies actually measure the trust that their constituencies have in them. This chapter provides guidelines, generated with the help of the Institute for Public Relations, for helping organizations measure the degree to which their customers or constituencies trust them. See Appendix 2 for more references on trust measurement.

What Is Trust?

Trust has been a widely studied concept both by itself and, most importantly, as a component of the quality of relationships. Research by Jim Grunig and Linda Hon (see Appendix 1) has shown that trust is one of six independently measurable components of relationships. Two of the other components are *exchange* and *communal*, each with its own relationship to trust:

- *Exchange relationship:* In an exchange relationship, one party gives benefits to the other only because the other has provided benefits in the past or is expected to do so in the future. Exchange is the essence of marketing relationships between organizations and customers and is the central concept of marketing theory. Many relationships begin as exchange relationships and then develop into communal relationships as they mature. Often, mutu-

ally beneficial exchanges can begin to build trust, but exchange relationships never develop the same levels of trust that accompanies communal relationships.

- *Communal relationship:* All parties in a communal relationship provide benefits to each other because they are concerned for the welfare of the other, even when they get nothing in return. Communal relationships are essential to developing and enhancing trust in an organization. Communal relationships are important if organizations are to be socially responsible and add value to society as well as to client organizations. They also greatly reduce the likelihood of negative behaviors from stakeholders.

The Grunig Trust Dimensions

Research on trust has shown that it is a multi-dimensional concept. Jim Grunig has identified three dimensions of trust that are measurable by the Grunig Relationship Survey (see Appendix 1):

- *Competence:* The belief that an organization has the ability to do what it says it will do, including the extent to which an organization is seen as being effective, and that it can compete and survive in the marketplace;
- *Integrity:* The belief that an organization is fair and just;
- *Dependability/reliability:* The belief that an organization will do what it says it will do, that it acts consistently and dependably.

Other Components of Trust

Although the experts are not in complete agreement, trust between an organization and its publics is generally described as having the following independently quantifiable characteristics:

Country Music Television Tunes in to Their Viewers

Country Music Television (CMT) had a program of Wal-Mart parking lot music events, which would move from location to location in tractor trailers. Prior to contacting us it had measured results by asking the truck drivers how many people showed up. Realizing that this might not be the most accurate methodology, it contracted with my company to design measurement for these events.

CMT's stated purpose was to convince attendees to call their local cable company and request CMT, or to take some other action on behalf of CMT. We agreed with CMT that the common criterion against which we should measure all events was an *ad hoc* measure we called "level of engagement." This was defined as the average response of attendees, on a scale of 1 to 5, when asked how much the parking lot event affected their relationship with CMT. We further defined success as an increase in the percentage of people willing to take action on behalf of CMT. A sweatshirt giveaway was included at the events to collect names and addresses of attendees, and we surveyed a sample of these people by phone two weeks after the event.

Our surveys showed that 93 percent of attendees were willing to take some action and 89 percent were willing to make a phone call to their local cable company. We then compared results between different events in different cities so CMT could determine where to expand the program the following year.

could determine the number of potential buyers. By subtracting the cost of the sponsorship from the profit and the projected number of car sales, it determined a projected ROI from the event. See Figure 10, page 96.

But it's important to look beyond simple quantitative data, especially if your objective is exposure, to assess the *quality* of your communications. Do they remember being in your booth? Did they even know you were a sponsor? Did they remember your brand, and the brand benefits or brand positioning you were trying to convey? Did they leave more likely to purchase or to recommend?

When companies clearly define their objectives it becomes a relatively simple matter to define a set of criteria against which we can measure the company's relationships with its constitu-

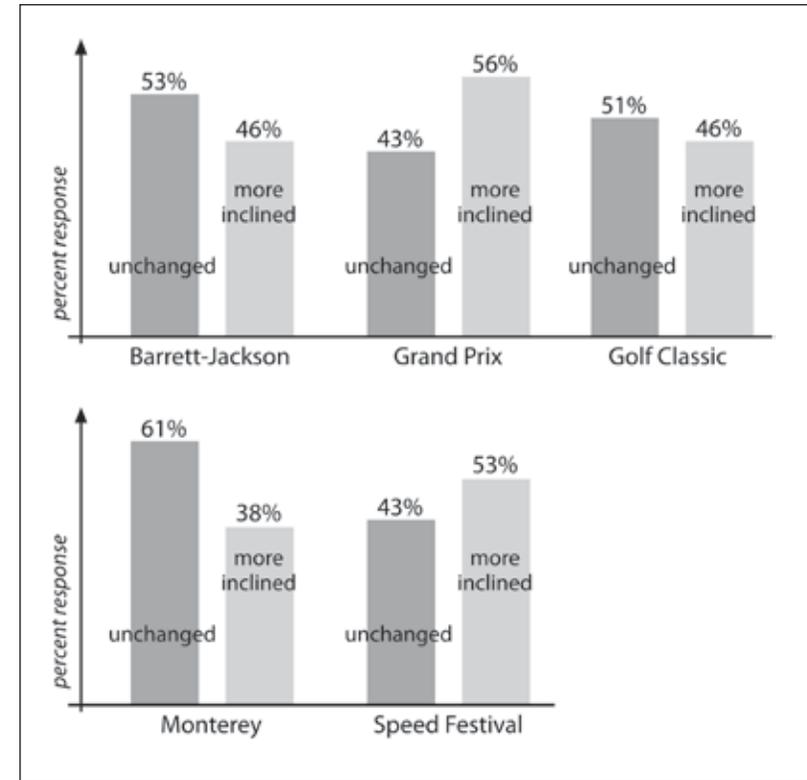


Figure 9. Percent attendee response to: "After the event, did you feel more or less likely to visit the showroom of the sponsor?"

encies in different events. Then it is possible to compare and contrast results consistently across a number of different events to ensure that the company has the most effective sponsorship program possible.

Step 4: Decide Upon a Benchmark

The key point to remember about any evaluation program is that measurement is a comparative tool: you need to compare one set

- Cost per message communicated
- Cost per contact reached
- Total communication of key messages by department
- Cost per minute spent with target customer

For costs we used the total budget for the entire corporate communications group for the quarter we were measuring.

Epilogue: Whither Measurement?

The best way to predict the future is to invent it.

—Alan Kay

The future of public relations lies in the development of relationships, and the future of measurement lies in the accurate analysis of those relationships. Counting impressions will become increasingly irrelevant while measuring relationships and reputation will become ever more important. Smart communicators are already pushing beyond measuring outputs and outtakes, and learning to measure the feelings, perceptions, and relationships that they generate. What people think of you, how they perceive your actions, and what they do as a result of those perceptions are truly the metrics of the future.

Increasingly, organizations will need to use Grunig's methodology (and that of those who will enhance and expand on his research) to measure their credibility and the trust that their actions engender. The challenge will be how to get accurate opinions from an increasingly fragmented and independent constituency.

The biggest complaint we hear about relationship measures is the length of survey questionnaires; people just don't want to spend the time and effort necessary to complete a questionnaire comprehensive enough to measure relationships. When you think

Dictionary of Measurement Terms, edited and compiled by Dr. Donald Stacks of the University of Miami, and fully downloadable from the IPR's website, www.instituteforpr.org. Italic terms in the definitions indicate cross references.

advertising value equivalent (AVE)—An unproven and suspect measure of PR value based on calculating the *column inches* of a story and determining the equivalent cost of buying the same size advertising space in the same publication.

baseline or benchmark—An initial measurement against which subsequent measures are compared.

benchmarking or benchmark study—A measurement technique that involves having an organization learn something about its own practices and/or the practices of selected others, and then compares these practices. Research that establishes a *benchmark* (see).

causal relationship—A relationship between variables in which a change in one variable forces, produces, or brings about a change in another variable.

census—A collection of data from every person or object in a population.

circulation—Number of copies of a publication as distributed. Not usually the same as the number actually read, but as a practical matter, synonymous with *opportunities to see*, *impressions*, and *reach*.

column inches—The total length of an printed article if it were all one column, measured in inches.

communication(s) audit—A systematic review and analysis of how effectively an organization communicates with all of its major internal and external audiences.

content analysis—An informal research methodology and measurement tool that systematically tracks messages (writ-

ten, spoken, broadcast) and translates them into quantifiable form by defining message categories and specified units of analysis.

correlation—A statistical test that examines the relationships between variables.

cost per message communicated (CPMC)— Similar to *CPM*, but adjusted for the number of messages that actually appeared in the media coverage. Note that here “M” refers to “message.”

cost per thousand (CPM)—Cost per impression or cost per person reached. As used in advertising, it is the cost of advertising for each 1,000 homes reached. Note that here “M” refers to “thousand,” as M is the Roman numeral for one thousand.

dashboard—A technique for simplifying data reporting by displaying a small number of important summary measures together in one location. Like an automotive dashboard, a PR dashboard includes only those measures most critical for assessing the progress or health of a program or company.

demographic analysis—The analysis of a population in terms of social, political, economic, and geographic subgroups (for example, age, sex, income level, race, educational level, place of residence, occupation).

demographic data—Data that differentiates between groups of people by social, political, economic, and geographic characteristics.

editorial or earned media—(1) The content of a publication written by a journalist, as distinct from advertising content, which is determined by an advertiser; (2) An article expressing the editorial policy of a publication on a matter of interest (also known as a “leader” or “leading article”); (3) Space in a publication bought by an advertiser that includes journalistic copy intended to make the reader think it originates from an independent source (also known as an “advertorial”).