INTEGRATING EFFECTIVE MEASUREMENT TECHNIQUES INTO YOUR CORPORATE COMMUNICATIONS EFFORTS

BY YOU MON TSANG

In a tough economy, speaking the language of objective, data-driven measurement has become more critical than ever. You Mon Tsang, co-founder and CEO of Biz360®, will discuss new ways to measure what was previously thought unmeasurable — the value of PR.

Over the last decade, interactive reporting and analytics have marched through most departments in the corporate world. Performance metrics ended up on the CEO's laptop, providing daily, quarterly and multi-year views of the company's financial position, sales pipeline and customer retention rates. Public relations (PR), for better or for worse, missed the frenzy, leaving it somewhat out of the crosshairs when the reports were disappointing. However, it also left PR as a second-tier player within the company. Without objective performance metrics, PR could not defend expenses, putting it first in line for budget cuts when times turned tough. Perhaps even more worrisome for PR professionals is that PR will never be accepted as a strategic corporate asset until data and measurement tools exist that can ensure accountability.

If true media measurement sounds impossible or prohibitively expensive — or if you fundamentally do not trust any attempt to measure the art of corporate communications — consider the benefits of at least trying. The following examples demonstrate how two companies — McDATA® Corp., the worldwide leader in open storage networking solutions, and DigitalThink™, a leader in e-learning business solutions — track and measure their communications programs. Rather than distracting McDATA and DigitalThink from their corporate missions, credible metrics have stabilized the PR function within each company, allowing the companies to better allocate their communications resources.

MEASURING THE UNMEASURABLE

When Ryan Batty began his job as a senior public relations specialist at McDATA, he proposed and obtained approval to start a media metrics program. As the economy softened, the executive team wanted to monitor expenses and results more frequently and more consistently from every department. By implementing a media metrics program, McDATA finally got the opportunity to find out what it was getting for its PR dollars. Like the sales, operations and other departments within the company, the PR department now sends weekly reports to the executive team that show quarter-to-date PR outcomes.

To start the program, the McDATA public relations team benchmarked the company's coverage against eight competitors. Criteria included number of placements, targeted placements, competitive mind share and message effectiveness. Since it began its measurement program, McDATA has advanced from being well behind its number one competitor to being neck-and-neck for the amount of coverage the two companies receive. After following a formal measurement program for only six months, McDATA is now on par for number of mentions and coverage in targeted publications. Most importantly, it can identify which McDATA and competitor messages resonate with journalists and influencers.

> **EVEN IF YOU ARE NOT FAMILIAR WITH THE WORLD OF BUSINESS METRICS, COMMUNICATING WITH THE CEO MAY BE EASIER THAN YOU THINK.**

How did McDATA make such significant gains in such a short period of time? Batty and his colleagues tracked daily coverage and periodically ran "zero-mindshare" author and publication reports to determine which editors were not covering them and why they were not covering McDATA. They tracked words, phrases and key messages each quarter. For example, they recently tracked stories that mention industry terms, "2-Gb" and "FICON," to gauge trends related to McDATA's storage-networking products. (At the time of this writing, 2-Gb is getting less ink than in April; FICON is receiving an increased amount of coverage.) They also track a McDATA descriptor, "core-to-edge," and are delighted to see that it has made its way into the industry vernacular. This is important for McDATA, because it (1) confirms that its marketing message resonates with its audience and (2) indicates that there is continued interest and potential market demand for McDATA's unique offerings.

In one zero-mindshare report, Batty recognized the name of a journalist from a top-tier publication whom he had contacted on a regular basis, but who had not covered McDATA. The report showed that she had written often about the competition, however. After reading just three of her stories, Batty clearly saw that he had proposed the wrong angle to her. When Batty next approached her, he customized his pitch to focus on her area of expertise. It worked. The reporter now covers McDATA.

Based on its estimates, the McDATA public relations team is equally or more productive than its competition with fewer dollars spent. Its measurement program offers tremendous insight into where the team should focus its time and effort. Since the PR team relies upon an automated Web application to search for and analyze stories, Batty estimates that 25 percent of the team's time has been freed up to develop communications strategies, contact editors and formulate story ideas. The objective performance metrics also allow them to defend expenses and ensure accountability before the McDATA executive team. Instead of a one-dimensional view of the company's PR efforts (activity reports and stacks of articles), executives can review a variety of snapshots that compare McDATA coverage against its competitors over time.

BY DELIVERING THE SAME LEVEL OF ANALYSIS AND MEASUREMENT THAT OTHER EXECUTIVES SUBMIT TO THE EXECUTIVE TEAM, PR PROFESSIONALS CAN EASILY DEFEND THEIR BUDGETS AND ENHANCE THEIR DEPARTMENTS' REPUTATION.

Derek Gordon, the corporate communications director at DigitalThink, ramped his measurement program over time. He started with clipping reports, which became very difficult to measure once the company became global and accumulated a great deal of coverage. Like McDATA, Gordon switched to a specialized media metrics application to provide the measurements he needs.

Gordon recently used his measurement program to help plan, execute and measure a complex and decentralized communications campaign. One of the company's highest-level goals was to shorten its sales cycle, with the desired outcome of garnering more customers at a lower cost. The communications department's role was to pave the road for the sales team by using the media to educate local markets about the DigitalThink value proposition and other key messages.

The communications team used its analytics application to target the most receptive media outlets (primarily newspapers and television) within each sales territory. It tracked the daily quantity and quality of coverage for each region, which allowed the team members to gauge how well the media received its key messages. They were able to communicate the impact and ROI of each regional campaign to the executive team with easy-to-understand graphs and reports. This ability to measure in real time verified that the communications team was on-track, allowing them to keep up the effort. Without a real-time measurement program, they would have had to interrupt the campaign for days or weeks to evaluate whether or not their efforts were cost-effective. Since they literally knew on a daily basis that they were accomplishing their mission, they kept up their momentum and had more time to work with the media.

By the end of the quarter, the sales department exceeded all of its goals. Gordon said that the sales force pointed to stories in their local business pages and television programs and graciously credited the PR department for opening doors for them. Gordon added that when the rest of the company saw the results of the PR team's efforts, they treated the PR department as heroes. The combination of the good press coverage and excellent sales results enabled the whole company — not just the sales team — to share in the successes.

SUCCESS FACTORS

Even if you are not familiar with the world of business metrics, communicating with the CEO on his terms may be easier than you think. The following recommendations will help you get started quickly and improve your success rate:

Ramp media metrics to your organizational stage. Deliver metrics that are appropriate to the size of your company (or division) and market. A Fortune 500 company cannot understand its media presence with static clipping reports; and a small company with only a handful of mentions does not have to invest in thorough analytics. Do not limit yourself to analyzing only your company — analyze your competitors' media presence, as well. Draft on your competitors' efforts to find out which journalists and analysts already understand your market. Target those who write favorable articles and create and sustain relationships.

Follow best practices. Look to other departments for examples of reports and analyses that appeal to the CEO. Historically, sales, finance, manufacturing, operations and direct marketing have successfully used analytics. Learn how the benefits of real-time and interactive reporting and analysis have helped these departments.

Personalize your pitch. PR professionals know better than anyone does the importance of personalizing a pitch. Do not create generic reports and send the same packet to all your constituents. Adjust each report according to the recipient's roles and concerns. Segment your analysis by financial, business and industry publications. Always give your audiences what they ask for. Avoid "educating" someone on why a request is invalid. For example, if the CFO wants an ad equivalency report, give it to her, even if every shred of your being says that it is wrong. Provide the requested report, but supplement it with another simple chart or report that you believe better demonstrates your department's value.

Adjust metrics to specific projects and goals. Make sure you understand your company's short- and long-term goals and measure your department's results against them. Is your company trying to gain momentum in the marketplace? If so, perhaps you only need to track the number of mentions. Are you trying to overtake a specific competitor? Measure your competitive mindshare. Is your company or product mentioned often, but relegated to the obligatory "competitors include…" paragraph in someone else's feature? Then your objective is to measure prominence. Other metrics you may want to measure include targeted placements, ad equivalency, sentiment (or tone), zero-mindshare authors and publications, competitor momentum, and message effectiveness.

Method	Pros	Cons	Suitability
In-house	Limited benefits when the system is already in place.	Static, labor-intensive, expensive, incomplete analysis, quality can vary.	Small companies with minimal PR requirements. Can be used to supplement other methods in larger companies.
Consultant/ Service	Customizable, can include results of in-person surveys.	Expensive, static, limited data sources due to resource constraints, quality can vary.	Large companies with well-funded PR departments.
Real-time media metrics applications	Cost-effective, timely, standards-based, and easy-to-use. Can compare coverage against the competition across multiple metrics. Offers the most complete data sources, including newspapers, magazines, Web publications, press releases, Internet bulletin boards, and close-captioned television broadcasts.	Currently does not analyze radio broadcasts, opinions posted at amateur Web sites, or in-person opinion surveys.	Most companies.

Keep it simple. Do not allow yourself or anyone on your team to get carried away with reporting and analysis. Allocate no more than 10 percent to 15 percent of your fiscal budget to measurement. Communicate clearly to your department that the goals are to become more effective, and protect departmental resources so you can continue to promote your company.

EVALUATING YOUR OPTIONS

A company has three media-measurement options: an in-house communications team can perform all or part of the measurement; a company can enlist a consultant or service that specializes in media measurement; or a company can use an application that searches for and analyzes media coverage.

Of these three options, the easiest way to develop and maintain a metrics program is with a Web-based software application dedicated to media measurement. A good application will adhere to the success factors recommended earlier:

• It will analyze the publications relevant to your business and allow you to ramp your metrics to match your growth and campaign initiatives. It will offer a variety of reports that are credible and standards-based.

• Each report can be delivered at the click of a button, allowing you to create separate reports for different constituents with little or no effort. You and your constituents should be able to interact with the reports and drill down from summary overviews to detailed specifics. The application must be Web-based to ensure 100 percent accessibility and eliminate software installation and maintenance problems

• The reports must demonstrate results rather than activity and track against specific goals, such as gaining competitive mindshare or improving the corporate reputation.

• Last but not least, the measurement application must to lead to effectiveness. That means that it must cost less to use the application than to create the metrics yourself, it has to be easy to learn, and it has to improve your job, not detract from it.

Although limitations to automated analysis do exist, they can be overcome by choosing the right application and carefully supplementing with in-house or consulting services. When evaluating media metrics applications, find out how the vendor compensates for the following trouble spots:

• **Missing articles.** An automated system covers a much wider universe of coverage than human readers ever could, but it is possible to miss an article. This problem is more prevalent when an article does not include your company or product name within the text. Make sure that there is a way to manually include an article if necessary.

• **Missing publications.** Find out how many publications are covered and whether they cover your industry. Make sure you can include a specialized publication or have an account representative do it for you.

• **Sentiment.** An advanced metrics application will allow you to measure sentiment — whether articles are positive, negative or neutral. However, sentiment is highly subjective and standards vary from one company to the next. For example, one company may set the sentiment for a press release as positive, while another will set it as neutral. Understand what method(s) the application uses to judge sentiment so you can interpret your results accurately, and ensure that you can set or override the sentiment value.

• **Irrelevant articles.** The application must be able to distinguish between common words, such as apple, and company names, such as Apple® Computer, Inc. Know how the application will search for the articles relevant to your company. Also confirm that you can eliminate coverage that is irrelevant to your measurement program, such as obituaries of former employees.

Finally, do not rely solely on an application. If time and budget allow, use a consulting service to supplement the analysis from your media measurement application. A recent JIC article (Nicholson, 2001) demonstrated how Sears® surveyed consumers to gauge its perceptions and willingness to shop at the store after Oprah Winfrey announced, "We love Sears!" This type of study is very helpful to determine the impact of a single act or event that has a far-reaching effect, when trying to measure consumer sentiment or when comments by opinion leaders are not well represented in the media. If your budget is tight, perform your own in-house surveys, but allocate no more than 10 percent to15 percent of your budget.

CONCLUSION

Since your job is to manage public opinion, you are in the most credible position to benchmark and track your company's external influencers: stockholders, financial analysts, journalists, competitors, market trends (such as the demand for wireless connectivity or entertainment features in cars), industry analysts and prospective customers. By delivering the same level of analysis and measurement that the VPs of sales, operations, finance and even other marketing executives submit to the executive team, you can easily defend your budget and enhance your department's reputation. When done well, your entire team will be far more productive and will influence the strategic direction of the company by detecting emerging market trends and unanticipated competitor momentum.

If you follow the recommendations in this article, starting and maintaining a comprehensive media metrics program is easily within your reach. Companies across all industries are employing media measurement. Your competitors may be among them, tracking what you do so they can exploit your successes and failures. As the defender of your department within the company and the defender of your company within the market, isn't it time you brought a gun to the gunfight?

REFERENCES

1. Nicholson, Tom. "What Every CEO Wants to Hear from Communications: Objective Measures Essential to More Effective Communications Planning." *Journal of Integrated Communications*, 2000-2001.

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