

WHITE PAPER

A REPORT TO THE COMMUNICATIONS INDUSTRY

MEASURING YOUR PUBLIC RELATIONS EFFORTS – REVISITED

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Submitted by:

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Proving the value of publicity has always been a challenge and with ever-shrinking budgets, it's never been so important to prove to your boss or client the positive return on investment for your efforts. Here are some approaches you might want to consider to measure your work—along with our urging to tie your publicity program to your advertising and Investor Relations efforts.

We have had the chance to apply these research techniques over the past twenty (20) years and our results and observations are included in this article.

First, consider the three basic categories of editorial content: feature articles, case histories and new product or new literature releases. Features are in-depth articles that treat a product or service and are often by-lined by an executive from the company.

Case histories or case studies usually cover a specific product in use, generally solving a user problem. New product releases consist of a one or more page write-up, usually accompanied by a photo while new literature release are more often shorter and included either a photo or copy of the literature.

MEASURING FEATURE ARTICLES AND CASE HISTORIES

Method 1—Rating the Editorial Environment

This method is based on values that are assigned to each publication as a gauge to its value to your company. The basis for this value is your subjective judgment based upon previous experience or the relative value of each publication. There are leadership publications serving every industry and specific target audiences.

- Number the publications by importance:
 - 1 = best publication,
 - 2 = second best,
 - 3 = third best,
 - 4 = publications with little meaning other than reprint value.
- In the equation below, the importance is expressed as ratios of one-to-one, one-half, one-third and one-fourth . . . from full value to something less.

- Next, deduce the effective circulation of the publication (those buying influences important to the publicizer) by referring to audit statements or media data forms and subtract that portion of total circulation you feel is wasted. Each thousand is used in our rating scheme.
- By reviewing the media data forms or the publication in question for six months to a year, decide the percentage of editorial devoted to the subject of the article(s) that you want to pitch. Below is an example of a sample equation for two publications where you can see the difference in editorial environments between them:

	Effective Circulation	Value to Publicizer	% of Editorial	Each Page Rating of Publicity	Total Score For Placement
Publication A	15 (thousand)	X 1/1	X 25%	= 3.750 X 2	= 7.5
Publication B	7 (thousand)	X 1/4	X 30%	= 0.525 X 4	= 2.1

The higher rating for the first publication indicates that it is deemed a more influential publication for your particular industry and message by you. Therefore, placing publicity with the publication with a 3.750 has more ROI than the publication rated 0.525. At the end of the year, your total score will indicate whether your goal is achieved. For a \$5,000 per month professional services fee, a total amount score of 150 to 200 is typical.

Method 2—Readership Study

Only a few publications survey their editorial as well as their advertising. If those publications in which you are interested do no survey of editorial, it is possible, for a small investment, to obtain editorial reprints or permission to reprint a specific article. You can then execute your own low-cost survey.

- Send reprints to a random sampling of the magazine’s subscribers along with a return postcard asking the respondent whether or not he or she read the article before. Or you can obtain a twice opted e-mail list and send the article as an attachment. You can even evaluate the media while at the same time you evaluate the power of your editorial.
- This is a win-win: Either the respondent had already read your article, or they will when it’s sent to them.

- Some publications may be willing to work with you on this type of survey, thereby reducing the cost to you and/or your client. Unfortunately, you will need to be an advertiser or a potential advertiser to obtain this privilege.

Method 3—Reprint Value Analysis

- By offering an editorial reprint through a new literature release or a postcard mailing, the value of your publicity can be measured by the number of inquiries you receive from offering these “Industry Reports.”
- Tag-along business reply cards can further measure the value of your article to the reader by asking him or her questions like; “*Is this the first time you’ve seen this article?*”; “*If not, where did you see it?*”; “*Did you find the article informative?*”, and “*Did the article have a positive or negative effect?*”
- Give the respondents the option of signing their name, providing their contact information and their company’s name. This could provide you with leads for future sales.
- Responses can give you clues about future feature articles in addition to telling you how effective the article you’re measuring is.
- Some publications offer to offer reprints. In these cases, your work is even simpler; just count the requests for reprints as they come in. The more reprints requested, generally the better the article was.
- The value of low cost reprints as sales literature cannot be overestimated. With careful planning, you may be able to build your library of sales literature without the heavy production expense of creating a catalog from scratch.

Method 4—Advertising Equivalency

- For years, public relations firms and corporate public relations departments have converted the placements they produced to their equivalencies in terms of advertising space. A one-page black and white ad in *Restaurant Hospitality* costs \$9,385, a one-page back and white ad in *Business Week* costs \$64,100, and a one-page black and white ad in *Time Magazine* costs \$141,400. Time (by the minute) on radio and television can be tracked in the same way.
- In our experience, a public relations program (\$60,000 to \$100,000) results typically in advertising equivalency two to six times the investment.

MEASURING NEW PRODUCT AND NEW LITERATURE RELEASES

Method 1 – Determining the Cost Per Inquiry

Defining the cost per inquiry is an excellent measure of both new product and new literature releases.

- A simple formula for this is: add all your production and copy costs and divide by the number of inquiries.
- For more precise results, apply this formula:

Production Costs:	Divided by No. of Inquires	= Cost per Inquiry
<hr/>		
Copywriting, Photo Duplication, Printing, Postage, Handling		
\$600.00	÷ 100	= \$6.00

Over the past twenty (20) years, we have seen the cost per inquiry rise for product publicity releases, but it is still reasonable to expect to produce sales leads at a cost of \$2.00 to \$10.00 per sales lead. The difficulty these days is measurement because publicity sales leads often come by way of the Internet, through 800-number calls and other ways that are often difficult to track.

This fact underscores the value of the Integrated Communications Campaign where all elements work together—public relations, advertising, direct response, e-mail, Web site and trade shows. We cover this subject briefly at the end of this article.

Method 2— Following Up Inquiries Until the Purchase Decision is Reached

This method measures how many sales leads resulted from the publicity. It is based on salesperson call reports. The value of this format is that it relates information furnished by the field force, magazine, prospects and sales order office and gives a purist's view of publicity through marketing eyes.

- Determine how many inquiries the release generated (i.e. phone calls, e-mails, letters, Web site visits, or other). As always, an incremental increase in inquiries generally indicates that the release(s) spurred interest greater than just advertising alone.
- By utilizing the sales force, determine the chance of sales for the product featured in the release (70% or more, 50% or more, 50% or less, no chance).
- Now compare the actual sales of the product with the original investment in product publicity. This should result in a definitive number for your ROI.
- Having all of these figures handy, demonstrates the true effectiveness of the mass release(s).

In our experience, \$70,000 to \$100,000 public relations programs have produced from \$1 Million to \$6 Million in sales in the business to business arena. The challenge for this measurement approach is whether or not your organization can handle and manage a sales lead handling system internally or externally.

CONVERGENCE OF PUBLIC RELATIONS, ADVERTISING AND INVESTOR RELATIONS

Today, Publicity must be evaluated as a marketing tool to complement, not supplement advertising and with new SEC Fair Disclosure Rules even Investor Relations. The best results occur when all three disciplines are used in sync. As such, the numbers of stories, number of placements, integration of mass releases with the total marketing effort must be constantly evaluated to be sure that publicity fills in the gaps, supports sales and marketing thrusts, drives readers to e-communications, supports Investor Relations and takes full advantage of an appropriately designed Web site.

It's a good idea to keep a comprehensive communications schedule of all your marketing and Investor Relations efforts including your current publicity efforts (news releases, quarterly releases, annual reports, case histories and feature articles), as well as the advertisements you are currently running. Add in direct response, trade shows, and special events and you have a total view of your communications war plan. Talk with a single voice and it will pay the greatest dividends at the best cost.

Conclusions

Careful planning and follow up of your publicity together with advertising and Investor Relations will create a number of positive results such as:

- Increased exposure among primary and secondary markets.
- Concrete support of SEC Fair Disclosure directives.
- Maximum number of impressions.
- Good publicity results in increased awareness—keeping the company and product names in front of their target audience.
- Sales leads and sales—at a cost per lead rate that is significantly lower than the average cost of a sales call.
- Enhancement of shareowner value.
- The opportunity to triple the level of awareness possible if you were to use only advertising (6 pages or more) alone without publicity.