



The 'Ad Value' of PR ?

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The struggle for legitimacy of any management discipline or practice centres around demonstrating that it adds value to the field it seeks to serve. In today's efficiency-seeking business and professional world, if an activity does not add value, it stands to be eliminated.

Few can argue with the logic of that approach. If something does not contribute, why do it?

But the challenge for many fields, including public relations in today's Information Age, is *proving* that it adds value. And proving usually means quantifying the value added.

Public relations has faced its struggle for legitimacy with a patchy track record. For several decades, PR practitioners did not see any need to demonstrate results beyond getting a client or employer into the media. "Any publicity is good publicity" was the strategically questionable catch-cry of the Press Agency Model of public relations practised during the 1940s through to the 1960s.

Clearly, few would argue today that any publicity is good publicity. Ask the White House after Watergate or Union Carbide after its accident at Bhopal. Or ask any CEO after his or her organisation has been castigated on the front pages of the daily press.

Even under the Public Information Model of public relations that evolved in the sixties and seventies, column inches in the media remained a primary objective of most PR practitioners. For several decades, the main method of demonstrating purported 'results' of PR was collecting and presenting management with piles of press clippings.

Measurement by Kilogram

Commonly referred to as 'measurement by kilogram', collecting press clippings continued the focus on quantitative measurement, with little attention paid to the quality of media coverage.

Even more importantly, press clippings presented quantitative measurement of outputs only, not of *out-takes* or *outcomes*. Press clippings, tapes or transcripts indicate only that reporting occurred in the media. They do not indicate whether target audiences read, saw or heard the information and, if they did, whether it influenced their attitudes or behaviour.

An added downside of presenting piles of press clippings as evidence of public relations effectiveness is the practical issue that busy management seldom have time to read large volumes of information. The mostly numeric-oriented management common in developed countries wants numbers, charts and graphs to summarise and quantify, as shown in studies of the 'language of the dominant coalition'.

Positive/Negative Analysis

In an attempt to provide qualitative assessment of editorial media coverage, PR practitioners accepted that negative publicity was unlikely to achieve objectives (not to mention unwelcome) and began to categorise media coverage in terms of positive, negative or

neutral. This was done based on the belief that positive coverage supported a client's or employer's objectives, while neutral coverage at least raised awareness.

This simple method of analysis is still practised today. However, it runs into three major challenges to its validity and value.

Firstly, simple positive/negative/neutral categorisation of media articles involves a high degree of subjectivity. On what basis or criteria are articles sorted into a positive, negative or neutral pile? Usually evaluations are made casually and based on personal judgement. Subjective unscientific evaluation has little credibility with management.

Secondly, the method is crude and rudimentary. Some articles may be slightly positive or negative, while others are very positive or negative. Some articles contain positive elements as well as negative elements. How are these to be rated?

Thirdly, and most importantly, categorising editorial articles as positive or negative is a simplistic method of qualitative assessment because positive articles may appear in media which do not reach the client's target audience or which, while generally positive, may not contain the client's key messages. As such, they do not contribute to achieving a client's objectives. Thus, articles may be positive, but not strategically important. Conversely, articles that are negative may not necessarily be strategically significant.

Advertising Value Equivalents

Management practice in the late twentieth century focussed on the 'bottom line', measured almost exclusively in terms of earnings or profits. This led public relations practitioners to search for a way to show a 'bottom line' value of PR and, operating alongside advertising in the media, PR saw an answer in equating editorial publicity gained with equivalent advertising.

Advertising Value Equivalents (AVEs), also referred to 'Ad Equivalency' and EAVs, count the column inches of press publicity and seconds of air time gained and multiply the total by the advertising rate of the media in which the coverage appeared. It is not uncommon, using this method, to find PR campaigns valued as the equivalent of many hundreds of thousands or even millions of dollars of advertising.

Many PR consultancy firms and even some media monitoring and analysis firms use this method of evaluation. But is it valid? The answer lies in examining the nature of advertising and editorial media content and the following key factors emerge.

On one hand:

Advertising	Editorial
Is identified as a paid for/sponsored message from the advertiser (ie. self promotion)	Appears as independent comment under the imprimatur of the editor or a professional writer
Appears separated from the news of the day and some people pay less attention to advertising than news or other programs	Appears as news (fact)

On the other hand:

Advertising	Editorial
Content is never critical or inaccurate as it is written by the client	May contain criticism and inaccuracies
Never mentions competitors, except in product comparisons favouring the client	May contain competitor coverage, even unfavourable comparisons
Is placed in selected media strategically important to the client	May be in unimportant media including some not relevant to target audiences
Positioning is often controlled (eg. with loadings)	May be well-positioned or poorly positioned
Layout and design is client determined for impact, including use of headlines and logos	Is laid out by sub-editors. No control of headlines or photos. Rarely uses logos.

Thus, on one hand, advertising value comparisons grossly undervalue favourable publicity. On the other hand, they may grossly overstate and misrepresent the value of publicity, particularly when it contains criticisms or competitor coverage, when it does not contain a client's key messages and when it appears in media that do not reach the client's target audiences.

Most professional public relations and communication organisations, researchers and academics view Advertising Value Equivalents as an invalid measure of media publicity.

- The **Public Relations Institute of Australia (PRIA)** issued a Position Paper (1999) on research and evaluation which states:

“The PRIA does not recognise Advertising Value Equivalents (AVEs) of editorial media coverage as a reliable or valid evaluation methodology. Editorial and advertising cannot be directly compared.”¹

- The **UK Institute of Public Relations (IPR) *Research & Evaluation Toolkit***, the most comprehensive guide to evaluation and measurement of public relations and corporate communication published internationally, states:

“Despite their widespread use, advertising value equivalents (AVEs) are flawed by the fact that advertising and PR use quite different methodologies. Valid comparison is therefore difficult, if not impossible. Opportunities to see (OTS) provide a more useful ‘quick hit’ quantitative measure (but only of output, not outcome). The public relations industry must get better at proving the worth of PR in its own right, and the value of more in-depth use of research, in order to wean both practitioners and clients away from AVEs.”²

- *Guidelines and Standards for Measuring and Evaluating PR Effectiveness* published by the **Institute for Public Relations in the US**, says:

“Advertising Equivalency’ is often an issue that is raised in connection with Media Content Analysis studies. Basically, advertising equivalency is a means of converting editorial space into advertising costs, by measuring the amount of editorial coverage and then calculating what it would have cost to buy that space, if it had been advertising.

¹ “Research and Evaluation”, Position Paper, Public Relations Institute of Australia, 1999.

² “The IPR Toolkit: Planning, research and evaluation for public relations success”, Institute of Public Relations, UK, 2001.

"Most reputable researchers contend that 'advertising equivalency' computations are of questionable validity. In many cases, it may not even be possible to assign an advertising equivalency score to a given amount of editorial"³

- The **Advertising Federation of Australia (AFA)** issued a policy on AVEs in 2001 stating:

"The AFA does not support the practice of using Advertising Value Equivalents (AVEs) as a measurement of editorial publicity. Well targeted, creative and strategically focussed advertising is inherently different to the editorial gained from public relations activities. Both forms of communication have their distinct benefits and cannot be benchmarked against each other ...".⁴

- Also, the **Australian Association of National Advertisers (AANA)** has circulated a policy statement to its members condemning the use of AVEs for PR measurement. The AANA statement to members said in part:

"AANA notes that other professional PR organisations including the Institute of Public Relations in the UK and leading PR academics in the US and UK have condemned the practice as "of questionable validity" and "flawed".

AANA concurs with these views and believes this matter should be brought to the attention of members in the interests of Best Practice and to inform our members of more reliable and credible methods for evaluating PR."⁵

- One of the world's most respected PR and communication academics and author of numerous accredited texts, **Professor James Grunig** of the University of Maryland, is particularly critical of AVEs which use a 'credibility multiplier' to inflate the value of editorial beyond equivalent advertising cost on the assumption that editorial is more credible than advertising. Weightings of three to nine times and sometimes even more are used by some PR practitioners – a practice which seems particularly common in the US and among American companies. Grunig says:

"... the weightings for 'third party' endorsement are totally made up. Research does not support the idea that there is such a thing as third-party endorsement."⁶

Guidelines and Standards for Measuring and Evaluating PR Effectiveness published by the Institute for Public Relations in the US goes as far as branding this practice "**dishonest**" and "**unethical**" as follows:

"Some organizations artificially multiply the estimated value of a possible editorial placement in comparison to advertising by a factor of 2, 3, 5, 8 or whatever other inflated number they might wish to come up with, to take into account their own perception that editorial space is always of more value than is advertising space. Most reputable researchers view such arbitrary 'weighting' schemes aimed at enhancing the alleged value of editorial coverage as **unethical, dishonest**, and not at all supported by the research literature."⁷

AVEs or 'Ad Equivalency' are a flawed form of *quantitative* evaluation of publicity no better than simply counting press clippings. It takes no account of *qualitative* factors and, given that editorial can be negative, promote competitors, or miss key target audiences, such evaluations are highly spurious.

³ "Guidelines and Standards for Measuring and Evaluating PR Effectiveness", Institute for Public Relations, Florida, USA, 2000.

⁴ Letter, Advertising Federation of Australia, 13 February, 2001.

⁵ Policy statement issued by Australian Association of National Advertisers, March, 2001.

⁶ Jim Grunig, "Evaluation" in International Public Relations Association e-group, 4 August, 2000.

⁷ "Guidelines and Standards for Measuring and Evaluating PR Effectiveness", Institute for Public Relations, Florida, USA, 2000.

The use of AVEs poses a risk to the credibility of public relations as it is a form of measurement that encourages mass distribution of publicity material to minor and easy target media to inflate apparent results. And, as suggested by leading international PR organisations, there are serious ethical considerations involved in a practice which promotes indiscriminate and ineffective behaviour and misrepresents the true value of the results gained. There are also ethical implications in knowingly using a method of evaluation which is misleading and invalid.

Gaining recognition necessitates public relations practitioners evaluating their activities, but evaluation must be carried out using sound, rigorous and relevant methodologies. Continued use of methods such as simplistic positive/negative ratings and Advertising Value Equivalents is likely to hinder rather than enhance the pursuit of professionalism in PR.

Media Content Analysis

The key criteria that determine effectiveness of outputs in any communication activity are:

- Reaching the **relevant target audiences** or markets;
- Gaining **wide distribution** or exposure within those audiences or markets;
- Communicating **key messages**; and
- Gaining strong and preferably leading '**share of voice**' compared with competitors.

Beyond that, of course, a communication campaign should seek to achieve *outcomes* such as increasing awareness, influencing attitudes or changing behaviour.

Media content analysis is a growing area of public relations research for evaluating publicity and offers a more reliable and relevant method of evaluating the effectiveness of media coverage. While systems vary, most rigorous media content analysis systems measure:

1. Total circulation or audience reached;
2. Target audience or market reach/penetration;
3. The extent to which key messages were communicated; and
4. Share of voice compared with competitors or others.

Leading Issues (Mobile Phone Market)

By volume and favourability

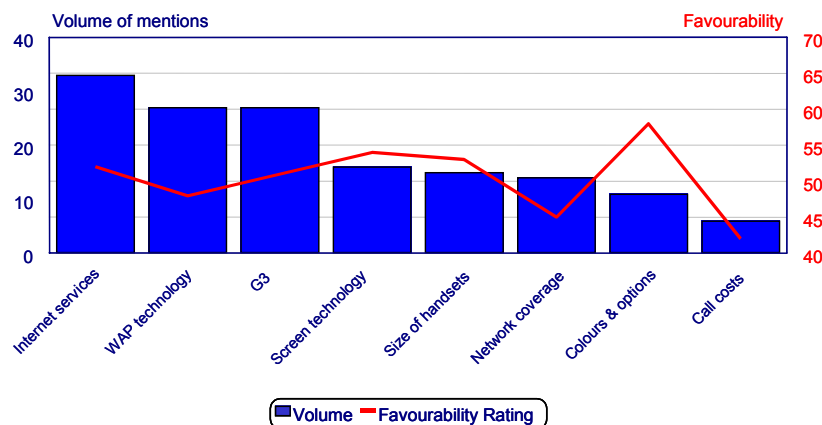


Figure 1. Sample media content analysis chart by CARMA International.

In simple terms, communication is about getting your key messages to your key target audiences – preferably better than competitors do. That is what PR needs to focus on and what PR research should address.

A wide range of specialist suppliers of media content analysis exists in most markets. In addition, new low-cost media content analysis programs are being launched which place this methodology within reach of virtually all public relations executives.

Evaluation Beyond Publicity

Public relations should also utilise **feedback, interviews, surveys, focus groups, case studies, pre-testing** and other research methodologies to evaluate *outputs* and, importantly, *outcomes*.

The growth of the Internet has made possible **e-surveys** where target audiences are online, which can dramatically reduce the cost over traditional 'dead tree' or telephone surveys. Also, chat groups can be used gain feedback quickly and cost-effectively, while extensive case studies are available via the Web at no cost.

While research might not be able to quantify a specific dollar, pounds or Euro contribution, or the number of sales gained because of PR, research can evaluate **relationships** and open '**two-way**' dialogue with relationship partners – whether they are customers, employees, shareholders or communities. In the modern model of public relations, two-way communication is fundamental and, therefore, research – whether formal or informal – provides the other half of the equation. It is the 'listening' as opposed to the 'telling', without which there is no communication.

However, when evaluation research is undertaken, it needs to be done using valid and reliable methodologies. 'Smoke and mirrors' methods such as gross Advertising Value Equivalents of press coverage, will not stand up under scrutiny and will damage the professional standing that has been slowly gained by hard-working practitioners.

Use of credible research methods will aid PR's push for greater acceptance, budget and respect as it provides proof to support decisions and investments. While intuition has a place in all management, 'gut feel' will not suffice in most boardrooms. But well-conducted research provides PR practitioners with the long-sought key to the boardroom door.

Jim Macnamara is a prominent international authority on measurement and evaluation of public relations and corporate communication. He holds an MA by research in media and public relations and was a contributing author to the landmark International Public Relations Association (IPRA) Gold Paper on Evaluation in 1994. He is the author of nine books on media, PR and communication as well as numerous papers published in professional and academic journals including 'IPRA Academic Review', 'Asia Pacific Public Relations Journal' and 'Strategic Communication Measurement'. After more than 20 years working in the media and public relations, he founded and is CEO of The MASS Communication Group, an independent communication research and consulting group, and operates the Asia Pacific franchise of global media analysis firm, CARMA International.

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