Measurement on A Budget

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English
COMMUNICATIONS

Why communications MUST be measured

- Management demands it
- Benchmark performance
- ID where to focus attention
- Create means for improvement

If you aren't measuring communications now, you are putting your department at risk!

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Management demands it—In business today, everyone talks about accountability. We need to be able to demonstrate our value in the organization. If we can't prove our worth to our bosses, in ways that mean something to them, then we are at risk. We know communications is a valuable business function. But it's up to us to prove it.

Benchmark performance: We need to know what works, and what doesn't. How are we doing compared to last quarter, last year? Are we achieving what we need to do? How are we making a difference to the organization? And how EFFECTIVE are the actions that we take?

ID where to focus attention: This follows from benchmarking. Measurement shows us where we're doing a good job, and where we need to put in extra attention. It identifies what we need to do as communicators to add value to the organization— whether it's discovering that employees don't understand the company's mission, or potential customers don't know about you. Measurement shows where to focus your efforts.

And then, it provides the basis for improvement. If you know what's wrong, you can build a communications program to address it. If you learn that employees don't understand the mission, you can develop ways to communicate it. If your potential customers don't know about your key products, then you can develop a communications program that specifically addresses this. Measurement enables you to address the right problems. And by focusing your communications, you are going to save money AND be more effective.

What gets measured gets done. And if you don't measure communications? You are putting your department at risk. As important as measurement is, only about 50% of communications departments do any kind of research or measurement.

Every one of you is a great communication manager. I know that. But…can you prove it? Business leaders want to see results. They want to know what is working and what isn't. Their entire strategic plan is based on research. It's not a guessing game. It's not a plan based on past experiences.
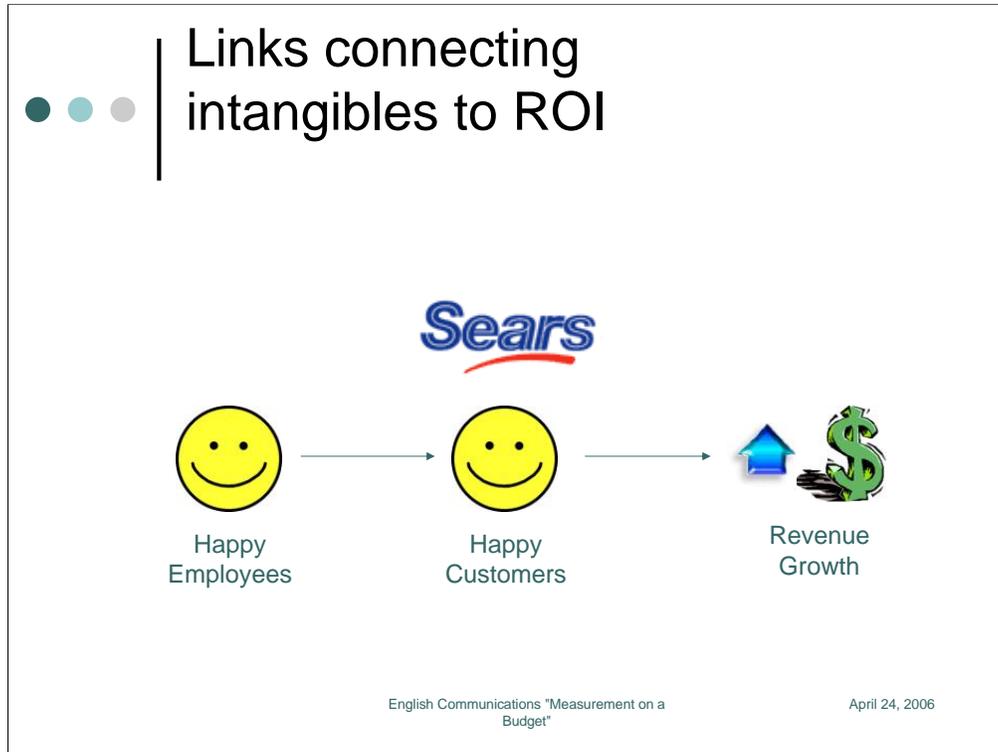
Sears study: Rucci, Kirn and Quinn (1998) found that a 5 point improvement in employee satisfaction (as measured by the company's employee survey) would drive a 1.3% improvement in customer satisfaction, which in turn would drive a 0.5% improvement in revenue growth.

What's the effect of communication on happy employees? Pincus led groundbreaking research in the 1980s concerning EC value. He found that communication satisfaction contributed nearly 20% toward employee job satisfaction. If you combine the two studies, you'd find that for every 5 point improvement in employee satisfaction, communication was responsible ultimately for a .1% improvement in revenue growth at Sears.

Now, in some ways this is mixing applies and oranges. The two studies probably can't be linked up quite so neatly. But, it does show that communication does add value.

Bottom line—It is possible to start linking communications' effect on both tangibles and intangibles, because they both ultimately effect the organization's value!

How external communications contributes to ROI

- "Share of voice" or "share of discussion"=quantity and quality of coverage compared to competitors
- PRTrak found larger share of voice correlated to sales increases

The larger your share of POSITIVE voice, the greater opportunity communications has to achieve company goals.

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Angela Jeffries at PR Trak, a company that measures the effect of publicity.

They found that "Share of voice" or "share of discussion" is correlated to positive impacts, such as increased sales and preference for your organization over competitors.

Share of discussion is defined as the quantity and quality of coverage compared to competitors.

PR Trak found that when people consistently say more good things about your company or product in the media, sales will increase.

Another interesting finding is that changes in share of discussion PREDICTS what will happen up to 26 weeks into the future. When share of discussion goes up, sales (or other positive benefits) increase. When share goes down, so will your sales.

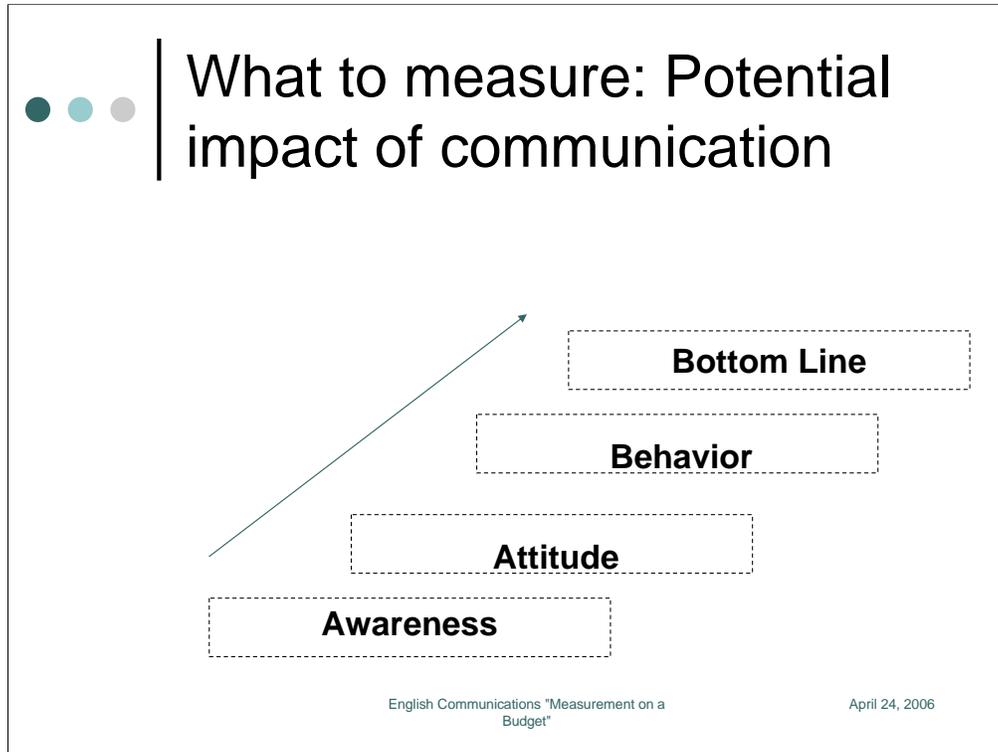## Communications <u>can</u> be measured economically

- Know what you want to measure (be specific!)
- Identify why it's important to measure (the business imperative)
- Know what approach will provide the information you need for the best value

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Know what you want to measure: Saying you want to improve morale isn't measurable. How are you going to measure it? BUT—you CAN say, I want to improve morale 5% based on these five questions on the Employee Attitude Survey. Think hard about how you are going to measure things!

Regarding Identify why it's important to measure—If we are to be respected as business professionals, we need to make the link about why we are measuring something. How meaningful is it to measure the number of press releases that were distributed, or the number of stories you wrote? That doesn't add value to the business. What adds value are the results of the press release, or the changes in employee awareness as the result of the articles you wrote. Think about what is important to the business, and make those links. **On the other hand**, there have been some studies that find that it doesn't matter so much what you are measuring as that you are measuring. The very act of measuring leads to improvement.

Finally, know what measurement approach will provide the information you need for the best value.

What to measure: Potential impact of communication

Bottom Line

Behavior

Attitude

Awareness

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Not outputs

Awareness. Is your message reaching key stakeholders? This is the basic step, but it's essential, because if people aren't aware of your message, nothing else can happen.

Attitude change. People are thinking differently as a result of communications.

Behavior change. Are people starting to ACT differently as a result of your communications?

Finally, the bottom line impact. How communications has played a role in helping the organization achieve its goals.

Intervening variables. (Great communications on mission offset by layoffs; great communications about new product gets boost because competitor's product recalled)

Hard to isolate communications—so get as close as you can to ID value.
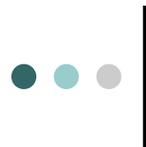
Measuring awareness

- Nothing else happens without it. No
  - Attitude change
  - Behavior change
  - Bottom line impact
- Identifies whether messages reaching stakeholders

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Some ways to measure awareness

- Ask people informally
- Survey
- Track # of intranet, Web site visitors (not "hits")
- Track news coverage
- Calls to 800 number
- Attendance at meeting
- Audit internal communications

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How do you know if your messages are reaching stakeholders?

Asking people If you're trying to gauge whether a communications program about the new mission statement is necessary, a few buttonhole surveys may be okay. Recognize that the method you choose will depend on the rigor that you need for your purposes. Conduct a "man in the street" poll in the cafeteria. Develop a methodology—go to every 5th person or 5th table, with 5 specific questions about the mission statement. Can get a quick read to see if they are getting it.

Surveys—Will talk later. School nurse example.

Tracking intranet, Web site visitors. Intranet—check with IT department. Web, many tools, such as WebTrends. Can measure visitors, pages viewed, unique visitors, pages visited, how long stay at site, where come from, how they get to site.

Tracking news coverage—we will talk about that a little later. There are a lot of ways to measure the effect of your media efforts. You measure media for opportunities to make an impression. You measure media to see if the key messages are being reported.

Calls to 800 number—Whenever your communications ask people to do something—call a phone number or visit a Web site for more information, you have an obvious means to start tracking.

Attendance at a meeting--One colleague I know regularly compares the number of folks to walk by trade show exhibit versus stop—and benchmarks. All you need is someone to count. You might want to pick a specific time period or periods—a sample.

Audit internal communications--Make sure key messages are being communicated.

Why measure attitude

- Usually necessary to influence behavior
- Determines receptivity to messages
- Identifies if messages having desired effect on stakeholders

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After measuring awareness, next level is attitude.

Attitude usually influences behavior. ..But not guaranteed. G-P employee example—employees liked product, but not buying.

Receptivity--Are people receptive to the message? There may be other things going on that have a more profound effect on attitude than your communications. (Communicating about quality when your product is being recalled; communicating about your approach to environmentalism when a plant has a major spill. A negative event happening to a competitor in your industry can have a spill-over negative effect on your business.)

Messages having the desired effect. People may be very AWARE of your message, but they don't like it, or they don't like how it's being delivered, or something about it. Whatever the problem, it may actually be driving attitude in a direction that you don't want.

Ways to measure attitude

- Survey
  - Likert-scale questions ("to what degree do you agree or disagree")
- Media coverage
  - Tone of coverage
- Tone of customers, other stakeholders (complaints increasing, decreasing? Letters to CEO? Letters to editor?)

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1. You can do a survey, asking questions about the extent that participants agree or disagree with statements. To what degree do you agree or disagree with the following statements:
   1. The company's new mission statement is helpful.
   2. The company's new mission statement is valuable.
   3. The company's new mission statement reminds me to focus on the right things.
   4. We should focus on other things than those in the new mission statement. (reversed)
   5. Mission statements waste my time. (reversed)

Media Coverage—you can measure the tone of coverage.

Going back to the example of the company that wanted to build a plant in a certain community. You want to measure if your efforts are starting to move the attitude needle. So, you can pull out your clip books and do a little audit. How did the media in that community present your company before news of the plant, at the announcement, and after the announcement? And you start tracking. We'll talk a little later about how to do it. You want to see if coverage is moving from neutral/negative to more positive tone.

Tone of customers, other stakeholders—You can look at other metrics. Can you analyze the number of letters to the CEO about this issue? Check for numbers and tone—how is it changing over time. How quickly does it drop off? What about letters to the editor—how many? How's the tone? What about the number of complaints that come into the company about the plant? These aren't exact measures, but they provide feedback. Another benefit of starting to track these kinds of things is that it gets communications involved early, so you can develop appropriate solutions. There was a recent case near my home where a large package delivery company was building a new warehouse. Residents were upset because construction traffic was going through their neighborhood, starting very early in the morning. The company, though, routinely monitored complaints, and the sudden spike raised a red flag. Now what's interesting is that for one day, residents were angry. But when the company recognized the problem—because of measurement—it quickly took action. They changed the truck routes, they changed the starting time to a little later in the day, and then they communicated this to the residents. The reaction was amazing. The papers the next day reported residents saying how happy they were that the company listened to them, and that they were happy that a company like that was moving into their neighborhood. The tone had completely changed.

SURVEY EXERCISE.

How would you fix this survey?

1. Where do you live?_____
2. Are you married?_____
3. How many children do you have?_____
4. Do you read *NewsPrint?*
_____Yes
_____No
5. Does *NewsPrint* help you be more productive?
_____Yes
_____No
6. How important is *NewsPrint* to the company's quality efforts?
_____Very important
_____Important
_____Not important

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Exercise—hand out, give them 5 minutes, then discuss for a while. (Work in pairs)

Survey question tips

- Relevant demographics
- Avoid yes/no answers
- Neutral wording
- Use balanced scales
- Know what you want to measure
- Consider closed-ended questions vs. open-ended questions
- Test for clarity

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Plan for better surveys

- Identify "universe"
- Use random sampling to reduce costs
- Identify best means of surveying
  - Available resources
  - Timing
  - Needs of stakeholders
  - Advantages/limitations of different survey methods

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Universe—

Random sampling

Identifying best means of surveying:

--Available resources—if there's no budget, you're not going to embark on a huge communications audit. It's better to start small. Measure part of what you do. Your publication, your intranet, your media (or your media in a particular area), the effectiveness of a particular program or initiative.

--Timing—When do you have to have results? Do you even have time to do a survey? Online surveys can show you results in real time, but you still need to write a survey, and distribute it. And, people need to respond to it. Is it possible?

--Needs of the audience—Does everybody speak English, or do you need to translate the survey into other languages? Does everyone have Internet or intranet access? You need to make sure the survey can reach people in your universe. Speaking of which, don't put a publication survey in the publication itself.

--Advantages and limitations of different survey methods. We will talk about that in just a bit.

Achieving better response rates

- Support from organizational leader
- Reason for survey
- Multiple contacts
- Personalized communication
- Small reward

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Examples: Did a mail survey to an external group. Included a letter from the CEO, signed, a stamped self-addressed envelope, and a toothbrush as a token. Survey achieved a 50% response rate.

Some studies have found that adding a Post-It message to the survey letter will have the same benefits as a small reward, as long as the Post-It message is truly signed and personalized.

One company did an employee survey, where the CEO communicated the need for the survey. Then supervisors communicated the importance of it. Employees received several reminders to participate and that it was important. This achieved 87% response.

You can work toward building a better response rate, which increases the accuracy of your survey.

Paper or online survey?

Paper pros:
- Can reach everyone
- Respondents require no computer knowledge

Paper cons:
- Time-consuming data entry (can increase cost)

Scannable survey—read that it requires a minimum of 1,800 to 2,000 to make scanning cost effective. Cost of scanning is about 40 cents per survey, plus printing (another 30 cents per survey) and set-up costs ($300).

Paper or online survey? (cont.)

Online pros:
- Low cost (as low as $20/month)
- Reduces data entry
- Immediate results
- Export into Excel, SPSS

Online cons:
- Requires Internet/intranet knowledge, access
- Some location firewalls don't allow survey access

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Measuring media coverage

- Key media outlets
- Reach (circulation of key media outlets)
- Key messages (3-5)
- Tone (positive, negative, neutral)
- Placement (front page? Photo?)
- Share of voice

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Let's say you've developed a media relations plan related to achieving public acceptance of that new plant you want to build in a community.

1. Start with ranking your media outlets—the key, targeted outlets for your message. You're probably looking at the daily paper or papers and TV stations. The other media are important, of course, but you want to measure the ones that will have the greatest effect on your goal of achieving public acceptance of the plant. You can track the number of placements week to week or month to month with the key media outlets.

2. Identify the "reach," how many people will see stories in those media outlets. You can report the "opportunities to see" your messages, by multiplying the number of placements in a particular medium with the circulation or viewership. You can track those.

3. Identify your 3-5 key messages that you want to have come out in every story. Let's say it's that XYZ is dedicated to building a safe plant in this community; that XYZ will work closely with the community to develop a plant that benefits the community; and that XYZ enjoys excellent relationships with the 200+ communities in which it operates. You can score each story based on how many of the key messages appear in it.

4. You can measure tone. Is the story overall positive, negative or neutral? You can measure the percentage of stories that are overall positive and/or negative, and track over time. You can also measure the number of people exposed to positive or negative messages over time.

5. The impact of the story can increase or decrease by its placement—is it on the front page or at the top of the news? Does it include a photo?

6. You may also want to measure your share of voice—how much coverage you are getting compared to your competitors. When you do this, you will want to differentiate positive coverage from negative coverage. A competitor who makes headlines because of environmental problems isn't achieving its goals.

Communications contributes to many different behavior changes.

Morale—Have questions on an employee engagement survey related to communication's effect on morale, and benchmark over time.

1. Productivity—Survey questions; do an experiment with an "experimental" site where you test your program, and a "control" site where it's business as usual. Benchmark productivity before, and after, using available business metrics.

2. Safety—Same as above, using business metrics.

3. Quality—Same as above, using business metrics.

4. Retention—See if there's a correlation between morale scores and retention rates over time—when morale scores go up, do retention rates also increase?

5. Employee satisfaction—track if communication satisfaction scores on employee engagement survey are correlated to employee satisfaction. Do they seem to move in tandem?

6. Product purchases—Southwest Airlines did a media campaign promoting new airfares. In the news release, it gave a Web address for purchasing tickets. This Web address was ONLY used in the news releases. More than $1 million in tickets were sold through that Web site. This was a direct results of PR.

7. Usage of new Web ordering tools—track the number of users over time to see if it increases.

Think about the business metrics that are available, and track over time, along with your communications program, to see changes. Improvements to these all improve ROI.

Exercise and discussion—allow 20 minutes for exercise, 20 minutes for presentations

Conclusion

- Measurement demonstrates we're a business function
- Demonstrates where we add value, and how
- Stronger voice
- Respect
- Benchmarking for continuous improvement

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Measurement resources

- Institute for Public Relations Research, www.instituteforpr.com.
- *The Measurement Standard*, www.themeasurementstandard.com.
- SurveyMonkey, www.surveymonkey.com.
- Sample Size Calculator, www.surveysystem.com/sscalc.htm.
- *Mail and Internet Surveys,* by Don Dillman, 2000.
- English Communications, www.english-communications.com.

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