

## PAVAN VOHRA'S VIEWS ON EVALUATING PR PERFORMANCE

*...traditional approach of ad value equivalencies are fraught with limitations...*

Recognition and recall of individuals, companies, brands and campaigns is one of the key objectives of Public Relations. Measuring PR is not a cut and dry activity. There is no set standard procedure for measuring PR. Some quotes illustrate: "*Measuring PR effectiveness is only slightly easier than measuring a gaseous body with a rubber band*" or "*PR is full of uncertainties, measuring performance is just one of them or the biggest one of them*". So while the area of measurement is not clearly defined, there are practices that people follow and I'll take you through them.

There is a growing demand for improved measurement and evaluation, which is leading people to find new and innovative approaches to PR measurement. Heads of organisations all over the world are demanding performance from every aspect of the organisation and are demanding it in a way that can be measured and quantified. PR is no different. Appraising the performance of the PR professional as an individual and of the company is central to improving the productivity. So there are two aspects –how to make people in the PR profession more productive and also improve the impact of PR.

Most companies measure PR by counting clips or the number of mentions or the ad rupee equivalencies. The amount of space multiplied by the advertising rate, which gives you a certain worth for the PR function. It is a measure, it shows coverage, but it doesn't measure the actual readership or the impact that the programme. It is very difficult to isolate the effect of PR from the effect of marketing or advertising and this is one of the challenges that the PR professional has to live with.

*... other measurement models...*

There are three different models of measurement:

The first one is *Production and Distribution Statistics*, which focuses on measures such as clips and ad rupee equivalencies. It is a way to assess costs as well as results of a PR effort and is certainly a measure of efficiency – how much coverage you get and how many people picked up your story.

What are the advantages of using an approach like this. Production measures are easy to use items - books or

booklets printed, letters mailed, films produced, speeches made and clips generated. You are measuring what the department or the function produced. Distribution measures show what happened to the production, how many copies were sent out and to who, what becomes of them, who attended the meetings, how many people saw the films, how many received the letters, heard the speeches or saw the clips. If you look at the readership surveys you can see which publications carried the story and if you know the circulation figures, then you can state that you reached out to so many people. That is the distribution statistic. An advantage is that it does provide some numerical reporting. It gives you a measure of efficiency and is exceptionally useful for first time efforts.

Production and Distribution statistics is still a widely followed practice of measuring PR. The problem with this is that it does not measure the effectiveness of the programme. You may have reached 2 lac readers with a story in a magazine or a paper, but did all these people read the article? And if they did, did they get the message being conveyed and if they did get the message, what perceptions were created about the brand or the product or the company. **So production and distribution statistics do not measure the effectiveness, they measure the efficiency of the PR function.** It does not reveal anything about the quality of the work produced and therefore there is a potential for skewed and unreliable perception. So if the disadvantages are not recognised, production and distribution statistics have the potential of giving a biased result of a PR campaign.

*...supplement with qualitative analysis..*

The second one is an extension of production and distribution statistics called *Composite, Quantitative and Qualitative Measures*. The quantitative measures focus on production and distribution statistics. There is some value to measuring the output or the efficiency of a PR programme, but you need to supplement this with qualitative measures – which are feedback measures – either from the market or from the customer. It requires time and money, but the payback can be significant, because here is where you're really beginning to establish whether the program justified the time and money spent.

*... PR programme should support the business plan...*

The third area is a measurement technique related to *Strategic Business Improvements*. This focuses on goal-driven business improvement – which is defining

business goals and then defining a PR programme that meets the business goals. That is where the PR function can begin to add a lot more value and create a position for itself in the organisation. It is not what I call a cost centre, but is a revenue earner or a revenue generator.

*...with agreed measurement yardstick...*

It also creates useful feedback information. Strategic business improvements imply defining the overall objectives to be met with the PR campaign, defining that up-front and ensuring accountability. Why is the campaign being undertaken and how does it link-in with what the organisation wishes to accomplish. It is also useful for comparison of results, ratings and follow-up. Follow-up is critical, because very often PR functions do not spend time to follow-up, all they do is produce. It introduces a high level of objectivity and focus. It is important because you're trying to achieve a specific business improvement or business objective. It is integrated with the business and is not focussed singularly on the results but also on the impact - and this is very important.

The key steps to make this work is to take a good look at the business or marketing goals of the company and really internalise those. If they're not clear, sit with the appropriate people and get an understanding of it.

1. define the PR goals and objectives of the PR function and the PR area
2. plan the PR effort and conduct the PR campaign
3. assess results vs. stated goals and objectives, and report the results

*...say the three point model - MBO...*

This is a very simple and straight forward approach, but surprisingly, a number of companies skip step 1 & 2 and go straight to 3. It is a critical component because more and more CEOs and Chairmen are demanding this link.

Let us take a look at National Cash Register (NCR) and see what they have done. They were acquired by AT&T and became a computer company. NCR primarily used production and distribution statistics to measure the impact of PR. However, ad-dollar equivalencies gave them false impressions about the success of PR campaign - advertising rates varied across different regions of the world. To respond to this and the pressures of better understanding the role of the PR function, NCR decided to look for new measurement techniques for PR. They did not completely ditch the old methods of production and distribution statistics, but they are beginning to balance those with new forms of

measures. They're trying to emphasise *quality of messages vs. quantity*.

Counting clips and tallying ad-dollar equivalencies for the media relations programme can be a disservice to the client. If your goal is to increase attendance at a specific event and you get a ton of clips but attendance didn't go up, then the programme failed.

Arizona State University tried a new, more practical *plus/minus system*. Prior to the campaign, they set up objectives for the coverage and then applied results to those objectives. You might give an article a 'plus one' for appearing on the front page or a 'minus one' if the CEO was inaccurately quoted. For some people, it is very important if an investment analyst was quoted talking about your product or your company, so you might give a 'plus two' for that. So you have a plus/minus system. If you end up with a 'plus three', you can say that you've done a great job. There are companies that are using this system. The key with this is planning it up front.

*...balanced scorecard approach...*

What companies are now beginning to do is take a *balanced scorecard approach* to measurement - which is developing a set of stakeholder, financial and operational performance measures that reflect progress against a plan. It's not just production statistics or setting goals that are financial or business related, but looking at performance measures as well. The advantages of such an approach are:

- ❑ it reduces vulnerability and bias of the PR function
- ❑ improves the understanding of the role of PR in the organisation
- ❑ generates higher commitment levels

The disadvantages to taking this approach are:

- ❑ more time-consuming and complex

However, these are beginning to produce results and such approaches are beginning to justify expenditure in a more meaningful way for the PR function.

## **QUESTION & ANSWER**

*Elaborate on the last method of evaluating PR - the Balanced Score Card Approach*

Mr. Vohra replied that in the past companies used to base performance primarily on financial measures. However, in the last ten years or so people have found that financial measures do not tell the whole story, for example, some companies perform very well financially, but their HR programmes, internal efficiency programmes, manufacturing process and the market share information

manufacturing process and the market share information that they have isn't reflected correctly in the perception of the company or in the stock price. So companies are now following a Balanced Score Card approach which is not just financial measures but includes customer measures, supplier measures, HR measures and IT measures. All of these are now being reported. The perception being created of the company is from multiple sources, it's not just the annual or financial reports. Thus the message coming forward is not to look at just one measure.

*(Excerpted from the presentation made by Pavan Vohra, Principal Consultant AT Kearney, at PR Pundit's workshop – The Contemporary Portfolio, held in Mumbai on March 17, 1999)*