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## Commentary: Two-tier evaluation can help corporate communicators gain management support

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*While public relations and corporate communication practitioners are under pressure to evaluate their work, particularly in terms of outcomes and Return on Investment, they also point to budget and time pressures which they identify as barriers to undertaking rigorous measurement (Gaunt & Wright, 2004; Watson & Simmons, 2004). Furthermore, senior management constantly pressed for time and with limited understanding of the intricacies of PR and corporate communication, want and often demand simple metrics – sometimes as brief as one or two numbers on a balanced scorecard (Fleisher & Mahaffey, 1997). This paper argues that the response to these budget and time constraints and management pressures to ‘keep it simple’ should not be to undertake measurement using simplistic methods which cannot gain reliable and valid data. Rather, a way forward is a two-tier approach in which practitioners apply rigorous research to provide themselves with reliable data on which to base strategic planning and advice to management, monitor progress, fine-tune tactics based on feedback, and evaluate outcomes thoroughly, and then at a senior reporting level select and summarise the most salient data to provide management with an overview to meet their needs.*

### **The importance of evaluation**

The importance of evaluation to both strategically plan communication and demonstrate effectiveness has been widely discussed by Baskin and Aronoff (1983); Baskin, Aronoff & Lattimore (1997); Broom and Dozier (1990); Cutlip, Center & Broom (2006); Grunig and Hunt (1984); Macnamara (1999; 2002; 2005); Noble (1995); Noble and

Watson (1999); Watson and Noble (2005), and many others.

Notwithstanding, “measuring the effectiveness of PR has proved almost as elusive as finding the Holy Grail”, Pavlik (1987) commented – and studies show little has changed since (e.g. Xavier, Patel & Johnston, 2004). While the level of measurement has increased according to industry surveys such as those conducted by the Public Relations Society of America (2001) and *PRNews* (October, 2003) in the US which found one third to half of US practitioners now use some form of media analysis and a growing number use surveys, the same studies also found around 80 per cent still rely primarily on press clippings to measure results. Xavier, Patel and Johnston (2004) similarly found a focus on media evaluation and reported that practitioners still evaluated outputs rather than outcomes.

Research such as that of Dozier (1986; 1990) and the ‘Excellence Study’ conducted by Dozier, Grunig, J. and Grunig, L. (1995) has shown that use of measurement is directly associated with greater acceptance of public relations by management and participation in the ‘dominant coalition’. Thus, it is important for practitioners to carry out objective measurement of their programs to gain access to senior management and influence their employer organisations. As argued in (Macnamara, 2005), measurement can provide “the key to the boardroom door”.

Based on the influence of Deming (1986) who is credited with founding the quality movement and adoption of performance measurement in management, Howard Dresner

(1989) who pioneered Business Performance Management (BPM), and others, modern management widely utilises reporting systems based on measurement such as Key Performance Indicators (KPIs) and Key Results Areas (KRAs), Balanced Score Cards developed by Robert Kaplan and David Norton in the 1990s, and seek Return on Investment (ROI) metrics from departments and strategic business units. Unless public relations can comply with these evaluation systems, it faces marginalisation in management and even questioning of its value.

Furthermore, measurement is important from a strategic perspective to ensure, in the words of Drucker (1966), practitioners are “doing the right thing” and not simply “doing things right”. While it is clearly important to do things right – e.g. write news releases in media style, design attractive publications, organise events well, and so on – it is even more fundamental to do the right things in the first place. Otherwise, despite all the implementation finesse in the world, communication is unlikely to be effective. ‘Doing the right thing’ requires what Cutlip, Center and Broom (2006, p. 368) call “preparation evaluation” including understanding of audiences which, invariably, requires research. Knowing what audiences think, how they prefer to receive information, their current levels of awareness and pre-campaign perceptions cannot be accurately identified without measuring these in some way.

Measurement is thus essential for both strategic planning and evaluation purposes and for “scientific management of public relations” as outlined by Broom and Dozier (1990).

### **Overcoming budget and time barriers**

Investigations into why measurement is still not regularly and rigorously conducted in public relations despite its manifest importance have revealed that practitioners cite ‘lack of budget’ and ‘lack of time’ as two principal reasons (Gaunt & Wright, 2004; Public Relations Society of America, 2001; Institute of Public

Relations and Public Relations Consultants Association, UK, 2003; Watson & Simmons, 2004). Some also cite ‘lack of demand’ which is perplexing given that many surveys show management dissatisfied or sceptical about the value of PR (e.g. Test Research, 2000) and that benchmarking, KPIs, Balanced Score Cards and other measurement systems are increasingly *de rigueur* in modern management.

Lindenmann (2005), Macnamara (1999; 2005) and others point out that there are low cost and even no-cost ways of measuring public relations such as using “piggyback studies” (adding questions into existing or omnibus surveys), secondary data analysis, quick polls or mini-surveys, e-surveys, interviews, Web statistics for tracking response, and media analysis using desktop software programs. A number of methods such as Web statistics also require little time, and other types of research can be outsourced if time rather than budget is the barrier.

Researchers and academics widely agree that measurement can be based on informal as well as formal research. The *Evaluation Toolkit* produced by the Institute of Public Relations (IPR) in the UK, now the Chartered Institute of Public Relations (CIPR), as a practical guide to measurement (Fairchild, 2001), now in its third edition, and the Pyramid Model of PR Research (Macnamara, 2002; 2005) both list a range of informal and formal methods of measuring public relations, a large number of which do not require any substantial budget or time.

However, even informal research, while having less rigorous procedures than formal research, should be conducted using valid methods. For instance, feedback should be gathered in an open and even-handed manner, not selected from supportive respondents only. The temptation to use simplistic invalid methods of measurement, such as Advertising Value Equivalents which have been widely condemned, as discussed later, must be resisted by practitioners if they are to gain and present trustworthy information to management, plan activities based on sound data, and maintain credibility.

## Meeting management demands

Compounding the budget and time limitations faced by PR practitioners and further influencing some to use simplistic and even invalid methods of measurement and reporting is evidence that senior management who are time-pressured and who often do not understand the intricacies of public relations and communication often ask for simple data.

While there is a lack of formal studies in this area (perhaps a subject for further research), anecdotal evidence from management magazines and books indicates that senior management today operates with wider responsibilities and smaller headcounts than previously as a result of economic rationalisation and competitive market conditions and face a deluge of information. Senior managers, management committees and boards dealing with a large number of direct reports seek to condense reporting to simple metrics and sometimes even a single number on a scorecard.

PR practitioners need to respond to management needs for simplicity. Giving management a long written report or complex research study is likely to be ineffective in the circumstances described and such an approach risks further alienating public relations from management. However, this does not mean that practitioners should present management with any old numbers.

In some cases management may suggest or even seek to impose a measurement method that is simple or, worse, simplistic. An example of this, particularly evident in public relations that supports and reports to marketing, is Advertising Value Equivalents (AVEs), also referred to as 'ad values' (a misnomer) and 'ad equivalency'. With advertising established as the dominant form of marketing communication for many decades (although this is changing), many managers see AVEs as a simple shorthand way of assessing the value of PR.

Most PR practitioners know AVEs to be flawed as a measure of media publicity after a decade of literature presenting an overwhelming case against using these comparisons as a measure of the value of PR (Grunig, 2000; Fairchild, 2001; Jeffries-Fox, 2003; Lindenmann, 1999; Macnamara, 2000; 2005). In addition to criticisms of invalidity and even being "unethical" by PR academics, researchers and PR organisations such as the Institute for Public Relations in the US, Chartered Institute of Public Relations in the UK and the Public Relations Institute of Australia (Research and Evaluation, 1999), AVEs have been opposed by the Advertising Federation of Australia (2001) and the Australian Association of National Advertisers (2001). Practitioners need to avoid falling into the trap of presenting simplistic data that is unreliable and even invalid for at least two reasons: first, it is ethically questionable and, second, it can be misleading and result in inappropriate and ineffective allocation of resources and effort.

Over-simplification of data can also misrepresent and misinform management. For instance, in presenting some research data, an average calculated as a *mean* score can be misleading (mean is calculated by dividing the sum of all the data values by the sample size). In cases where there is a small sample and wide variance in scores, a mean can substantially misrepresent reality. For example, Houston (1996) gives the example of US baseball players for whom one study reported the average salary was \$1.2 million a year (calculated as a *mean*) – which lead to the public view that baseball players on average earned high incomes. However, a small number of players were receiving very large multi-million dollar salaries which inflated the mean. Other metrics showed a different story. The *median* salary (the mid-point of data from which there is an equal number higher and lower) was \$500,000 a year. And the *mode* (the most frequently occurring value) was just \$109,000 a year. In this case, it would have been more balanced and honest to report the median or mode. This demonstrates the importance of communication practitioners

having at least a basic understanding of research methods and practices – something which Kelly (2001) and Watson and Simmons (2004) noted is lacking among many practitioners.

In the same way, while there is a role for informal research as noted, interviews or feedback from small samples, while providing useful qualitative information, should not be presented as quantitative findings – e.g. as percentages. Such findings, while qualitatively useful, are quantitatively invalid and practitioners need to know the difference and approach measurement with integrity and professionalism.

Rather than attempt to come up with a single level of measurement that meets practitioners needs and reporting requirements of management, a two-tier approach is suggested as outlined in the following.

### **The two-tier approach**

In the first instance, public relations practitioners should carry out the most rigorous and most in-depth research possible within the budget and time available before activities are implemented to inform strategic planning and post-activities to compare with pre-activity data to identify results based on gap analysis. Even though practitioners feel they have an intuitive sense of what works (Murray & White, 2004), with their focus on outputs as identified by Cutlip et al (2006), Macnamara (2002; 2005) and others, they need to recognise that the simplistic Shannon and Weaver (1949) ‘injection model’ of communication has been shown to be largely flawed and note learnings such as minimal and limited effects theory (Klapper, 1960), cognitive dissonance theory (Festinger, 1957), hedging and wedging theory (Grunig and Hunt, 1984), Situational Theory (Grunig & Hunt, 1984), Social Learning Theory (Bandura, 1977) and other relevant theories which show that communication, even when implemented to the best of one’s ability, often does not work due to audience and environmental factors. Recognition of the complex and conditional nature of

communication necessitates research to identify what works when, rather than assumptions or ‘gut feel’. Practitioners need to understand that communication failure does not necessarily mean that they have failed. A range of variables affecting their audiences, some unknown to communicators, can only be revealed through research.

Perhaps universities teaching communication and public relations, and practitioner continuing professional education programs, need to focus more on basic communication theory, media effects theory and audience research as well as public relations theory given findings such as Rice and Atkin (2002) that many campaigns still fail because fundamental theoretical aspects of communication are not understood.

At a second level, recognising the needs of management for condensed reports and brief information, once reliable data has been gathered the most salient data should be selected for presentation to management. Through planning this carefully, understanding research, and having a range of data available, practitioners can ensure that management is presented with the most relevant and most reliable data that reflects the situation and which is understandable and meaningful.

An example of the two-tier approach can be found in reputation measurement. Most reputation studies involve audience research among key stakeholders such as interviews or surveys and these usually ask a range of questions. From these multi-question stakeholder interviews or surveys, extensive data are gathered. For instance, stakeholders may be asked about a number of attributes such as trustworthiness, responsiveness, technological leadership and so on, and many groups of stakeholders may be researched including customers, analysts, government agencies, and so on. One leading international corporation (which cannot be named) measures more than 20 attributes among eight stakeholder groups. The detailed findings from this research are valuable to PR and corporate communication practitioners as they need to know about the specific needs of various groups

to guide their planning and track progress. However, management does not have the time to consider 50 or more pages of data and, in any case, is likely to be confused by the detail. The two-tier approach involves condensing the detailed data into an overall average (mean) reputation score on a 10 scale and comparing this to the overall average reputation score in the previous period. In this way, a single mean can be presented to management summarising where their reputation stands. Where significant variations occur between stakeholder groups or the mean is not reflective of the spread of data, the reputation study also presents management with the highest and lowest averages – i.e. where their corporate reputation is best and where it is worst.

Another example can be drawn from media content analysis. Most in-depth media analysis produces six to 10 metrics such as total volume of mentions, audience reach (called Impressions or Opportunities to See), share of voice, leading issues, average favourability overall, average favourability by issue, leading media by volume and favourability, and so on. A two-tier approach is to separate a media analysis report into two parts: an executive summary of one to two pages presenting one, two or three of the most important metrics overall, and the main body of the report with detailed breakdowns of data for PR and corporate communication staff. For example, the executive summary could present the average favourability of media coverage (preferably calculated using a systematic method); share of voice in key media compared with the 2-3 leading competitors; and the volume of mentions and average favourability of media coverage of the issue, product or topics identified by management as the most important priority for the period. While more outcome-orientated measurement is desirable, this demonstrates how a few key measures can be drawn from research that relate to organisational priorities.

### Conclusions

PR and corporate communication practitioners must embrace objective rigorous

measurement of factors such as audience awareness, attitudes and needs for planning accurately and strategically, as well as for evaluating outtakes and outcomes of communication to provide credible evidence of effectiveness. In reporting to management, the most salient data only should be condensed and summarised, preferably in graphics and tables, to provide a concise précis of key points relevant to management and the organisation's goals and objectives.

If practitioners proactively provide salient data in a simple, understandable way, management is likely to relinquish demands for particular metrics such as AVEs. Usually such demands are driven by frustration at having little or no numeric data to identify the impact of PR. With a two-tier approach, practitioners can enjoy the benefits of comprehensive data to guide their work in which they can have confidence, while having simple metrics to satisfy management demands in reporting.

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