

# WORKSHOP D

## How to Be Compliant with the Barcelona Principles



break through

4<sup>th</sup>

EUROPEAN SUMMIT  
ON MEASUREMENT

13-15 June 2012, **Dublin**

**amec**

# David Rockland, Ph.D.

Partner/CEO, Global Research and Ketchum  
Pleon Change

4<sup>th</sup>

EUROPEAN SUMMIT  
ON MEASUREMENT

13-15 June 2012, **Dublin**



break **through**

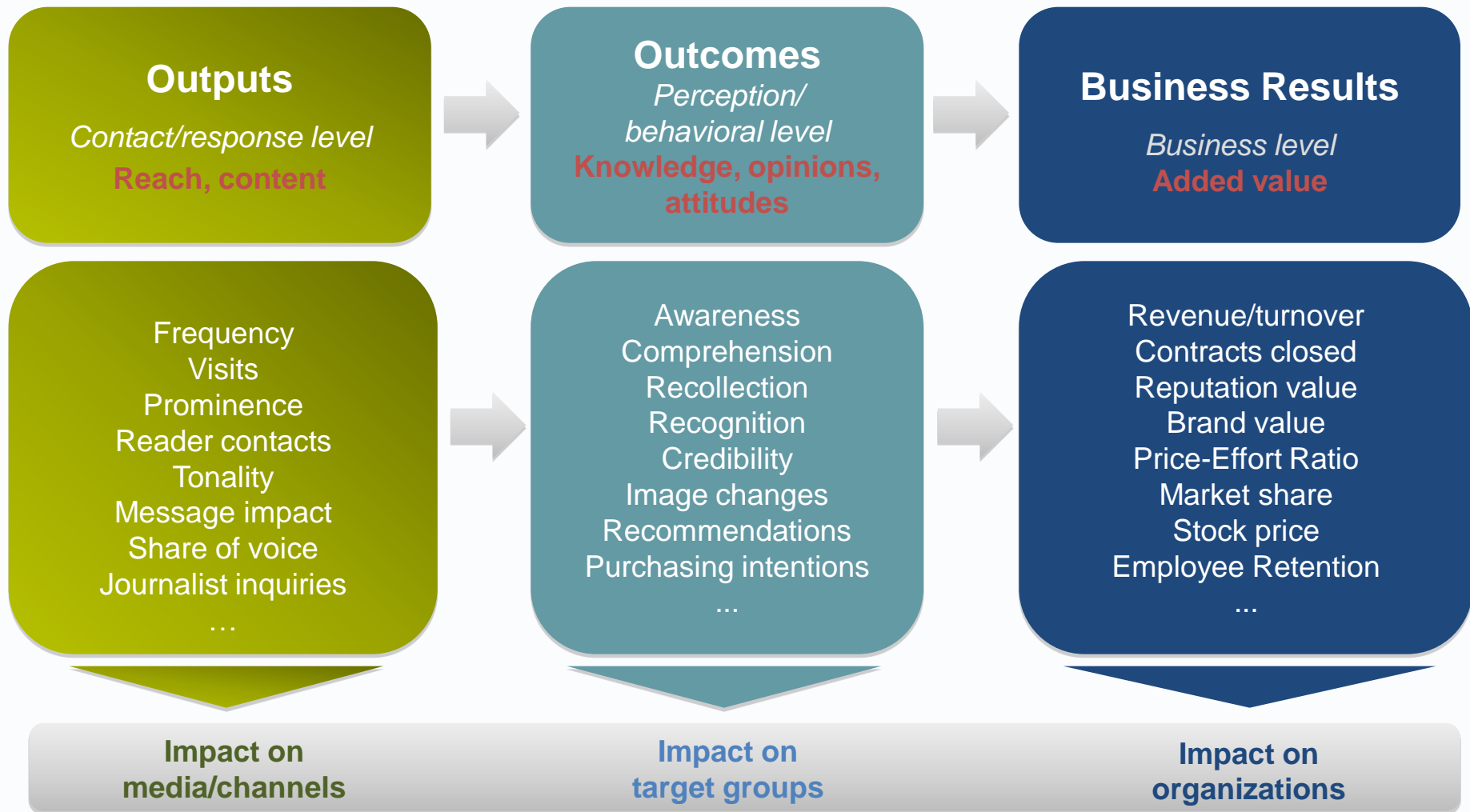
**amec**

# Seven Principles of PR Measurement

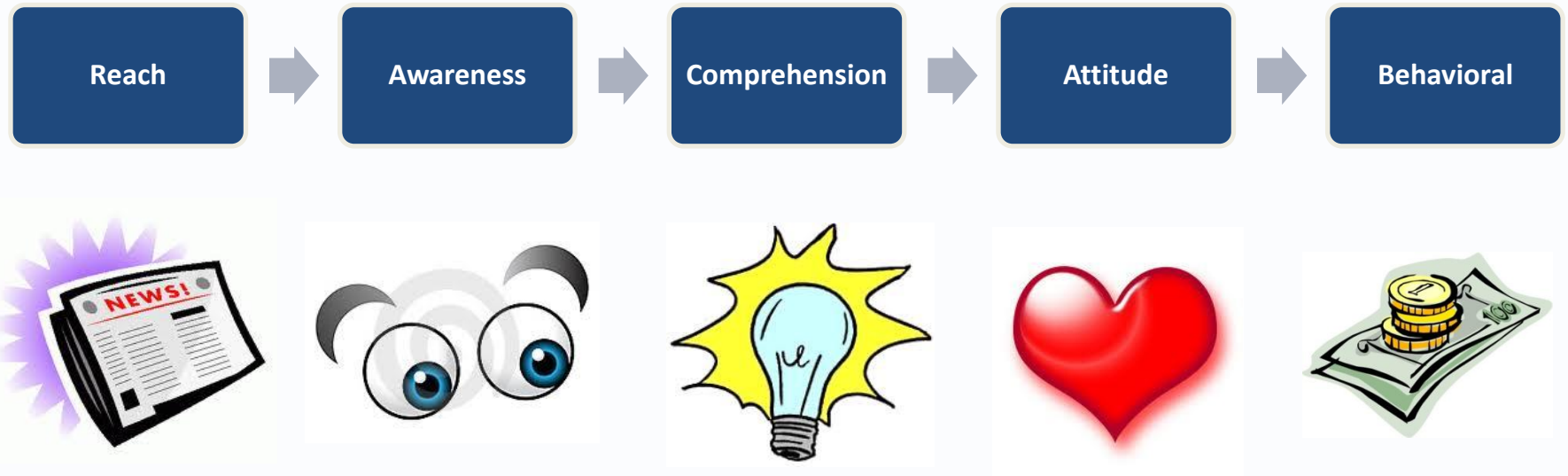
1. Importance of Goal Setting and Measurement
2. Measuring the Effect on Outcomes is Preferred to Measuring Outputs
3. The Effect on Business Results Can and Should Be Measured Where Possible
4. Media Measurement Requires Quantity and Quality
5. AVEs are not the Value of Public Relations
6. Social Media Can and Should be Measured
7. Transparency and Replicability are Paramount to Sound Measurement



# Measuring communications on three impact levels



# Communications Goals





**Brand/ Product**

**Awareness**

**Knowledge**

**Consideration**

**Preference**

**Action**

**Public Relations Activity**

- Content creation
- Traditional media engagement
- Social media engagement
- Influencer engagement
- Stakeholder engagement
- Events/speeches

**Intermediary Effect**

- Audience reach [traditional & social media]
- Impressions/Target audience impressions
- Number of articles
- Video views
- Frequency
- Prominence
- Share of voice

- Key message alignment
- Accuracy of facts

- Key message alignment
- Frequency of (positive) mentions
- Expressed opinions of consideration
- Social network Followers
- Retweets/Shares/ Linkbacks

- Endorsement by journalists or influencers
- Rankings on industry lists
- Expressed opinions of preference
- Social network Fans
- Likes

**Target Audience Effect**

- Unaided awareness
- Aided awareness

- Knowledge of company/product attributes and features
- Brand association and differentiation

- Relevance of brand (to consumer/ customer)
- Visitors to website
- Click-thru to site
- Time spent on site
- Downloads from site
- Calls
- Event/meeting attendance

- Attitude uplift
- Stated intention to buy
- Brand preference/ Loyalty/Trust
- Endorsement
- Requests for quote
- Links to site
- Trial

- Sales
- Market share
- Cost savings
- Leads generated
- Customer loyalty

# Communications vs. evaluation goals

Corporate goals



Communication goals



Evaluation goals



Measurable criteria

What is the **overarching business goal** that is to be supported by communications?

What are the **desired (measurable) changes** in the target group as the result of communications?

- **Coverage:** Number of articles in target group (media), penetration of messages
- **Perception:** Brand awareness, recollection of topics
- **Comprehension:** Credibility of content, connection to company
- **Attitude:** Brand loyalty, increased employee motivation
- **Behavior:** Purchase decisions, project involvement

→ **Who? What? How much? By when?**

Goals should be defined as quantitative as possible



# Sample Goals in Need of Some Work

- Drive media coverage (food and lifestyle), product awareness and trial by building consumer buzz
- Shape the bleach dialogue online
- Change the perception from a company that makes computers to a company that is a leader in global business solutions
- Bank Card:
  - Create “card envy” among affluent consumers in the San Francisco market
  - Raise awareness that this card offers cardmembers unique experiences, not just more ‘stuff’
- Eyeglasses:
  - Raise awareness around lens choice and that eyeglass lens choice exists with mid-to-late GenXers, 40 – 45 years old
- Vodka Nightlife Exchange Project:
  - Set emotional connection with consumers (consideration)
  - Reinforces “Nightlife experts” credentials
  - Key to Lead digital agenda in Brazil



# Transparency in Media Measurement

- The goal of the media algorithm is to provide a detailed and consistent metric of measuring media coverage.
- This is an important step in the process of measurement standardization and allows for benchmarking over time.

## The Media Algorithm

### What is it?

The **Media Algorithm** is a tool that adds a higher level of sophistication to media measurement through a customized scoring system designed to rate each media mention based on criteria that are meaningful to the client.

### Objective

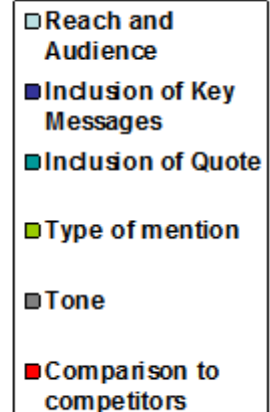
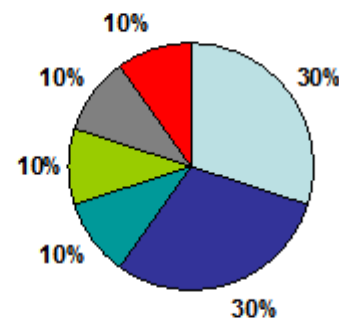
The goal of the media algorithm is measuring media coverage.

### Details

The algorithm assigns a value from 0 to 100 based on opportunity and 100 is the "perfect" score.

The algorithm is scored based on the following criteria:

- Reach & Audience (media tier)
- Inclusion of Key Messages
- Support for the brand (inclusion of quote)
- Type of Mention (feature, roundup, brief mention)
- Tone of Mention (positive, neutral, negative)
- Comparison to competitors



# Transparency in Surveys and Reporting

- Publicity Surveys vs. Market Research Surveys
- Sampling
- Tab and Banner Plan
- Weighting
- Checking Data
- Reporting

## Universal Truths Tips for writing a good survey

### Content

- Write as simply as possible
- Avoid buzzwords or "loaded" words (e.g., "bureaucrat")
- Lead long response options with the most important element
- No double negatives
- No "double-barreled"

## Sampling Options

- **Census:** Complete sampling accurate
- **Non-probability Sampling:** Fast, inaccurate; cannot generalize; "convenience sampling"
- **Probability Sampling:** Takes longer in finding an exact microcosm (representative subset) of the population; can generalize

### Objectives

### Methodology

Publicity Survey	Market Research Survey
Phone	Online
Random Digital Dial (RDD)	Panel
Sample Size = 1000. (Margin of Error = +/- 3.1%)	Sample Size n=384+
25%-30% cell phone	

### Approach

Unanimous perceptions (high %)	Differentiation
Counterintuitive findings	Unexplored perceptions
Usability	
Few and representative response options	Comprehensive & balanced response options
Exclude obvious response options	

# Andre Manning

Vice President Corporate Communications  
Royal Philips Electronics

4<sup>th</sup>

EUROPEAN SUMMIT  
ON MEASUREMENT

13-15 June 2012, **Dublin**

**PHILIPS**

**amec**

# How Does Philips Measure the Success of PR

4<sup>th</sup>

EUROPEAN SUMMIT  
ON MEASUREMENT

13-15 June 2012, **Dublin**

**PHILIPS**

**amec**

# Why Measurement?

- **Added value:** To establish a better link between communications and the business
  - To challenge business and management with outcome (forward looking) versus output (looking back).
- **Accountability:** To provide your organization with one common set of Key Performance Indicators (KPIs)
- **Professionalism:** To further professionalize the communications function
- **And ....** To reflect the changing communications ecosystem we are part of: dialogue versus monologue (communications versus advertising)

# Measurement: Past, Present, and Future

2000

2012

2015

## Clip Books...

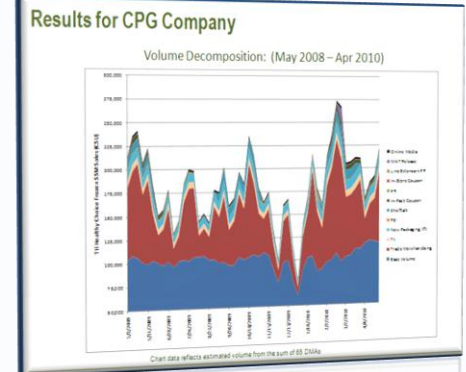
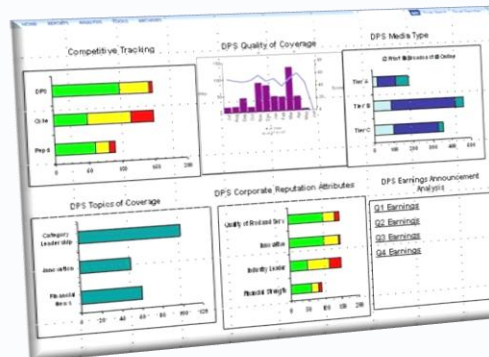
- Messy
- Cumbersome
- Time Consuming

## Online Portals...

- Sleek
- User Friendly
- Data at the Click of a Button

## Analytics and ROI

- Linked to Sales
- Market Intelligence
- PR Measurement Consistent



# Barcelona 2010 Principles

<http://www.instituteforpr.org/2010/06/the-barcelona-declaration-of-research-principles/>

1. Importance of Goal Setting and Measurement :
2. Measuring the Effect on Outcomes is Preferred to Measuring Outputs
3. The Effect on Business Results Can and Should Be Measured Where Possible
4. Media Measurement Requires Quantity and Quality
5. AVEs are not the Value of Public Relations
6. Social Media Can and Should be Measured
7. Transparency and Replicability are Paramount to Sound Measurement





# Barcelona Principles and Philips

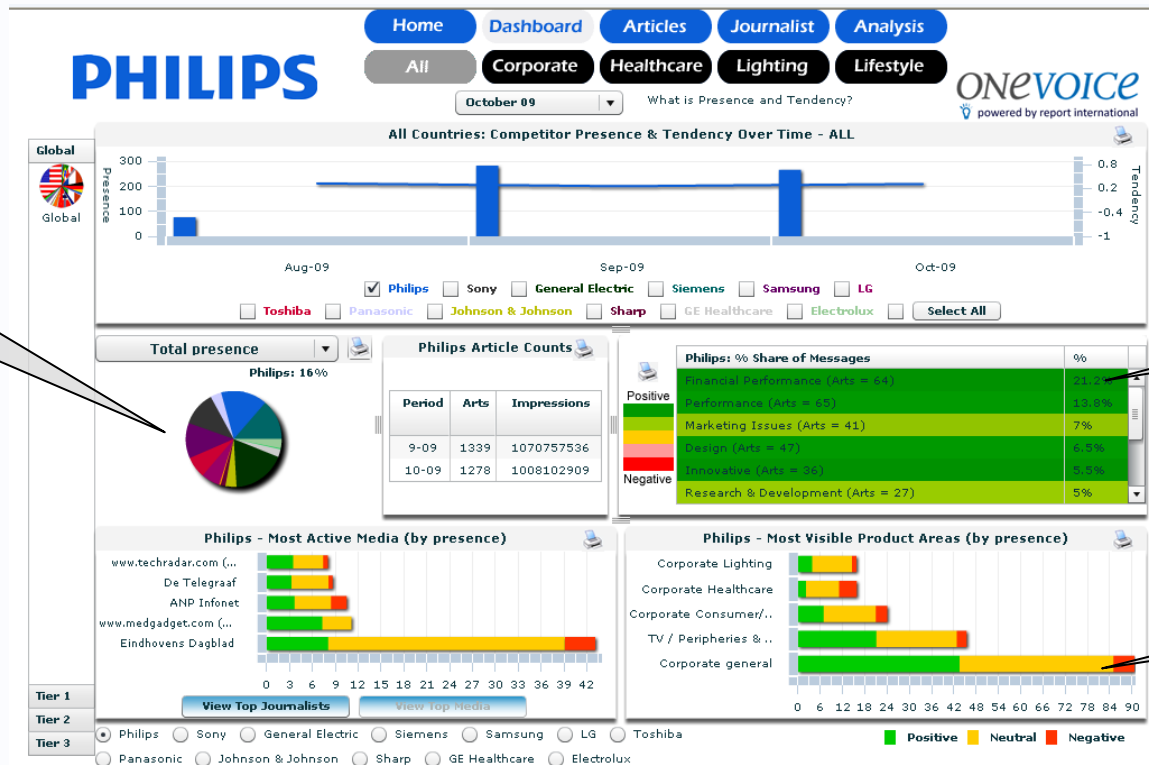
- We set goals before we measure, before programs launch
  - AVEs are not used, Neither are multipliers
- Impressions and clip counts are meaningless numbers on their own
- Our objective is to show business results from PR
- Social media is treated as simply another channel, not a strategy unto itself
- Everything we do is transparent and can be done over again the same way

# Measurement at Philips

- Communications measurement has never been more important to demonstrate the success of communications work.
- When I first arrived at my new role I saw putting in place a comprehensive PR measurement system at Philips as critical.
- At Philips we hold ourselves to a consistent standard through NPS scores and Key Performance Indicators (KPIs).
- Consistent Measurement is part of the 21<sup>st</sup> century toolkit of the communications professional.

# Measuring: Online Dashboard

- Online dashboard displays results for Philips and competitors across set list of KPIs and metrics – can view results by sector or country



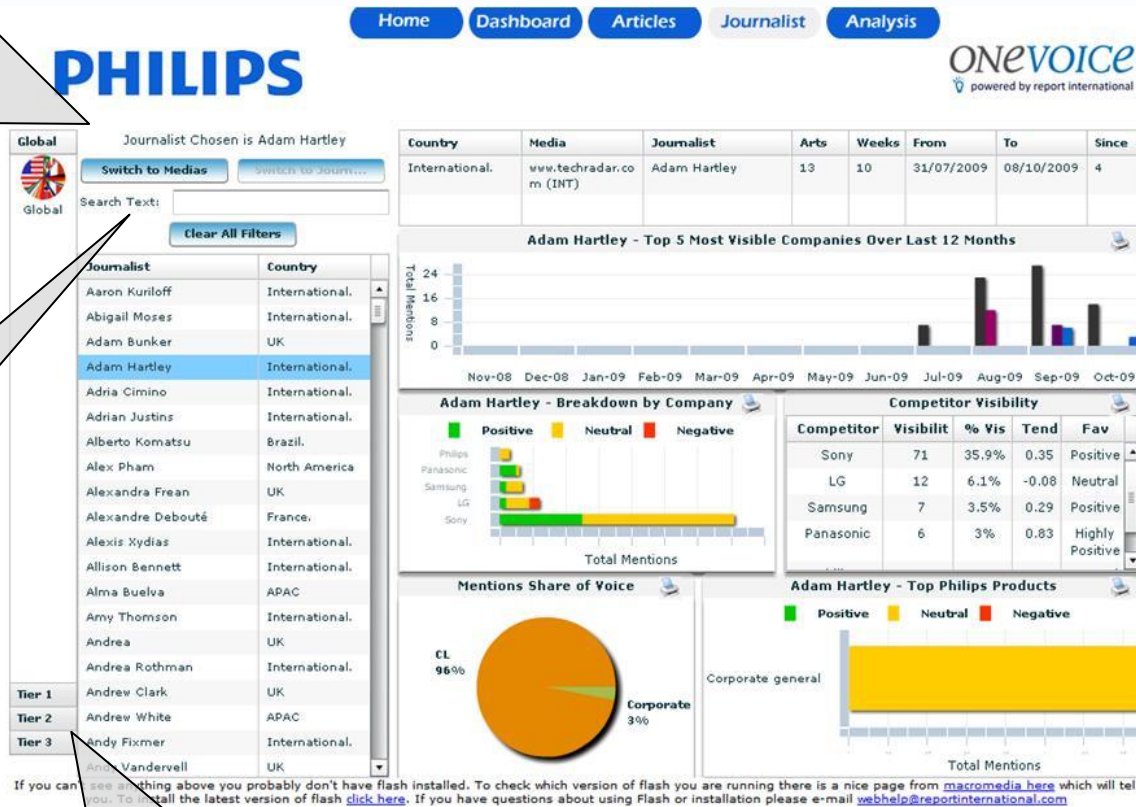
If you can't see anything above you probably don't have flash installed. To check which version of flash you are running there is a nice page from [macromedia here](#) which will tell you. To install the latest version of flash [click here](#). If you have questions about using Flash or installation please e-mail [webhelp@reportinternational.com](mailto:webhelp@reportinternational.com)

# Monitoring: Online Dashboard Provides Access to Content

These buttons will toggle between showing Top Journalists and Top Media titles

Enter your search terms in this text box to look for coverage with those particular tags

Select a region to show data only for that country



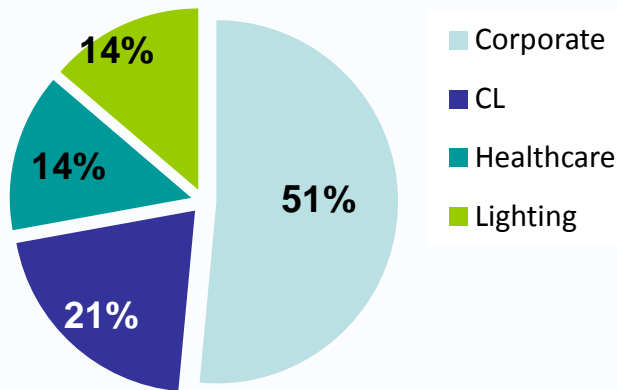
The journalists page shows those journalists who have written about Philips/competitors

These charts show: a list of the journalist or media title's published articles; SoV of competitors; which competitors are covered, SoV by business unit, sentiment and top products

# Example KPI's

	Q4'11	Q3'11	Net Change (+/-)
Total volume of analyzed coverage	1,229	965	264
Total reach of analyzed coverage	1,062,277,939	730,407,925	331,870,014
Average Media Score (from -100 to 100)	53.1	42.9	10
Net Promoter Score*	7.7	7.1	0.6
Message Penetration (% with 2+ messages)	55%	51%	4%
Tone (very positive/somewhat positive)	49%	45%	4%

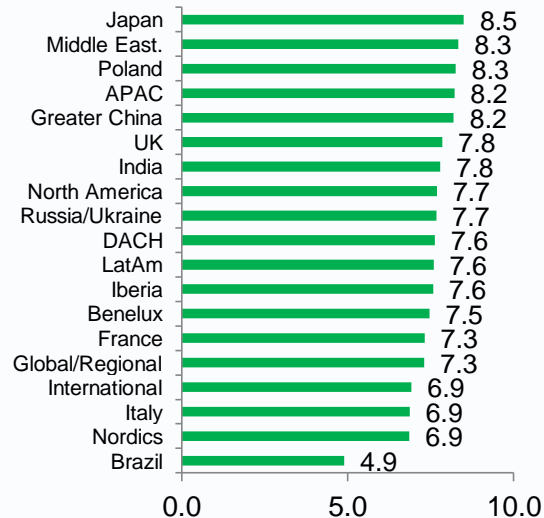
Volume by Sector



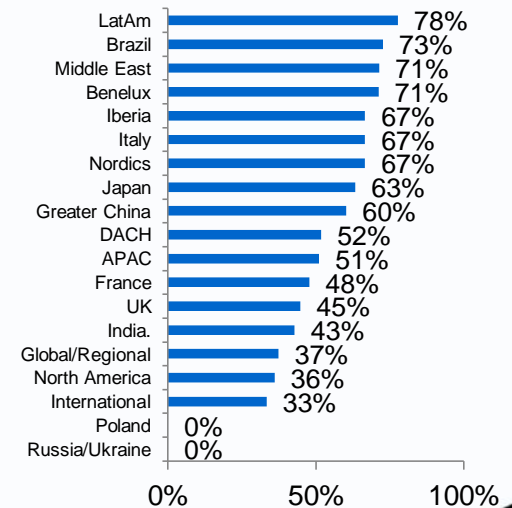
\*The Net Promoter Score (NPS) is the conversion from the Average Media Score (AMS) to a Net Promoter Score (NPS). See appendix for more details

\*\* Figures differ slightly from monthly numbers due to additional clips added in after monthly reports were sent out

NPS by Region



Message Penetration  
(% with 2+ messages)



# Opportunities

- There is a great opportunity at this moment to connect media results to other forms of measurement and survey research to prove the value of PR and its impact on ROI.
- Using existing research, Philips will take its measurement to a new level—moving towards outcomes and business results.
- But there are challenges...

# ROI of Corporate Communication

## Challenges We Face

- Brand equity is comprised of intangible parts
- Indirect association between PR and sales
- Understanding base vs. incremental results
- Industry is overall overwhelmed by ROI metrics while clients are demanding them
- Need to show ROI across a range of financial and non-financial indicators





# Possible Non-Financial ROI Metrics

- Employee retention
- Calls to customer service line
- Loyalty behavior / Scope of purchases
  - Recommending brand
  - Repeat purchases
  - Customer retention
- Number of influencers advocating your message
- Online engagement with consumer base
- Community support for company initiatives
- Customer satisfaction
- Message recall



# Making Connections

- The key next step is to connect media measurement and standardize metrics utilizing existing research within corporations.
- Philips already has large quantity of data and information that can incorporate PR measurement.

**Influencers:  
Philips Globescan**

**NPS & Employee  
Engagement:  
Philips Employee  
Engagement Study**

**Brand Equity:  
Philips Heartbeat**



**PHILIPS**  
sense and simplicity

Heart BEAT 2011: Philips' Corporate brand status in US

GM&C Market Intelligence

Produced by trommsdorff+drüner  
INNOVATION • MARKETING CONSULTANTS

May 27<sup>th</sup>, 2011

# Available Information

- Heart BEAT at country and business level among...
  - Consumers
  - Lighting professionals
  - Healthcare Professionals
- Net Promoter Score Surveys
- Globescan: Brand Equity and Reputation among Senior Business Influencers and KOLs

# Summary

- The Barcelona Principles set the standard for measurement at Philips.
- We currently have excellent Outputs measurement system where NPS and KPIs are ingrained in our culture.
- **Now** is the time to better integrate with the broader outcomes and business results measurement in our company—this is a top priority for 2012-2013.

# Cindy Conner

Director, Citizenship and Reputation Management  
FedEx Corporation

4<sup>th</sup>

EUROPEAN SUMMIT  
ON MEASUREMENT

13-15 June 2012, **Dublin**



**amec**

# The Business of Reputation Management

Moving from *Outputs* to *Outcomes*

4<sup>th</sup>

EUROPEAN SUMMIT  
ON MEASUREMENT

13-15 June 2012, **Dublin**

**FedEx**<sup>®</sup>  
Services

**amec**

# Brand and Reputation Together

- Can result in supportive stakeholder **outcomes**

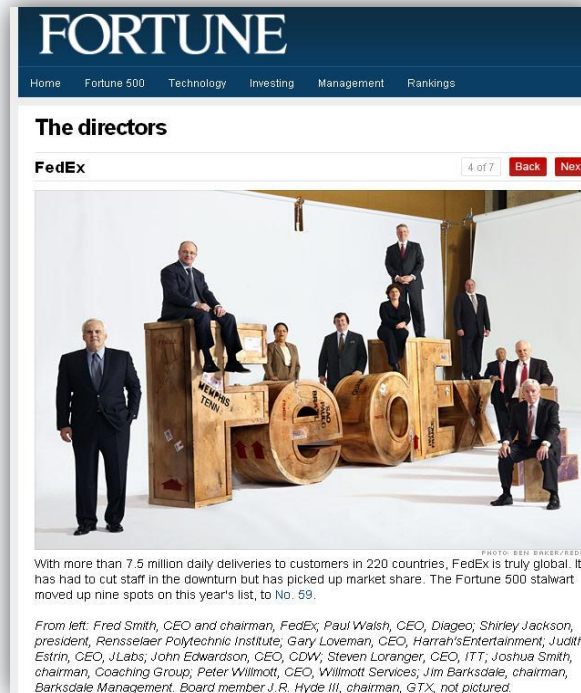
## Brand

The Promise to the Marketplace



## Reputation

Delivery on that Promise



- Purchase
- Invest
- Loyal
- Recommend



# What We Understand...

- Consumers are **2X as likely** to purchase from, pay more for, and recommend a company with a leading reputation
- Companies with leading reputations convert **90%** of customers **from considering to purchasing**
- Improving a company's reputation by **5 points** increases likelihood to recommend by **6.1%**
- Intangible assets such as brand equity and goodwill account for **70–80% of a company's market value**

## Sources:

Reputation Institute, 2012 RepTrak Pulse

Harvard Business Review, "Reputation and Its Risks," 2007

Echo Research, The 2012 Reputation Dividend Report

# A Topline Look at FedEx Reputation



## FedEx #6

- 10<sup>th</sup> consecutive year among top 15 “World’s Most Admired”



## FedEx #7

- “[FedEx] invests in telling its enterprise-wide story rather than focusing exclusively on products and services, and that allows consumers to applaud what it stands for, not just what it sells.” – FORBES



## FedEx #5

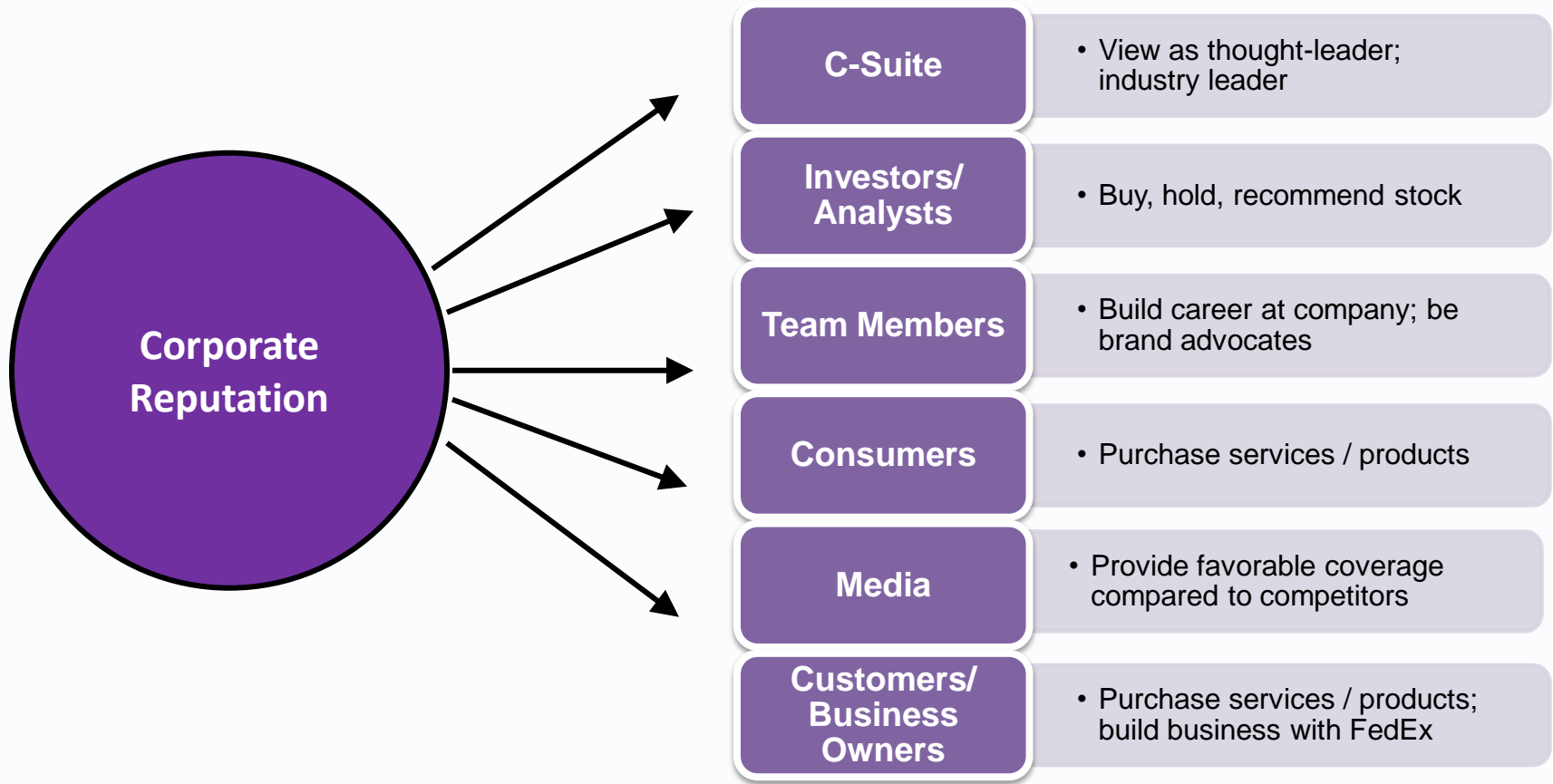
- Selected among the 350 multinational companies included in Great Place to Work lists in 2010 and 2011

# Maximizing a Moment-in-Time to Build Our Profile

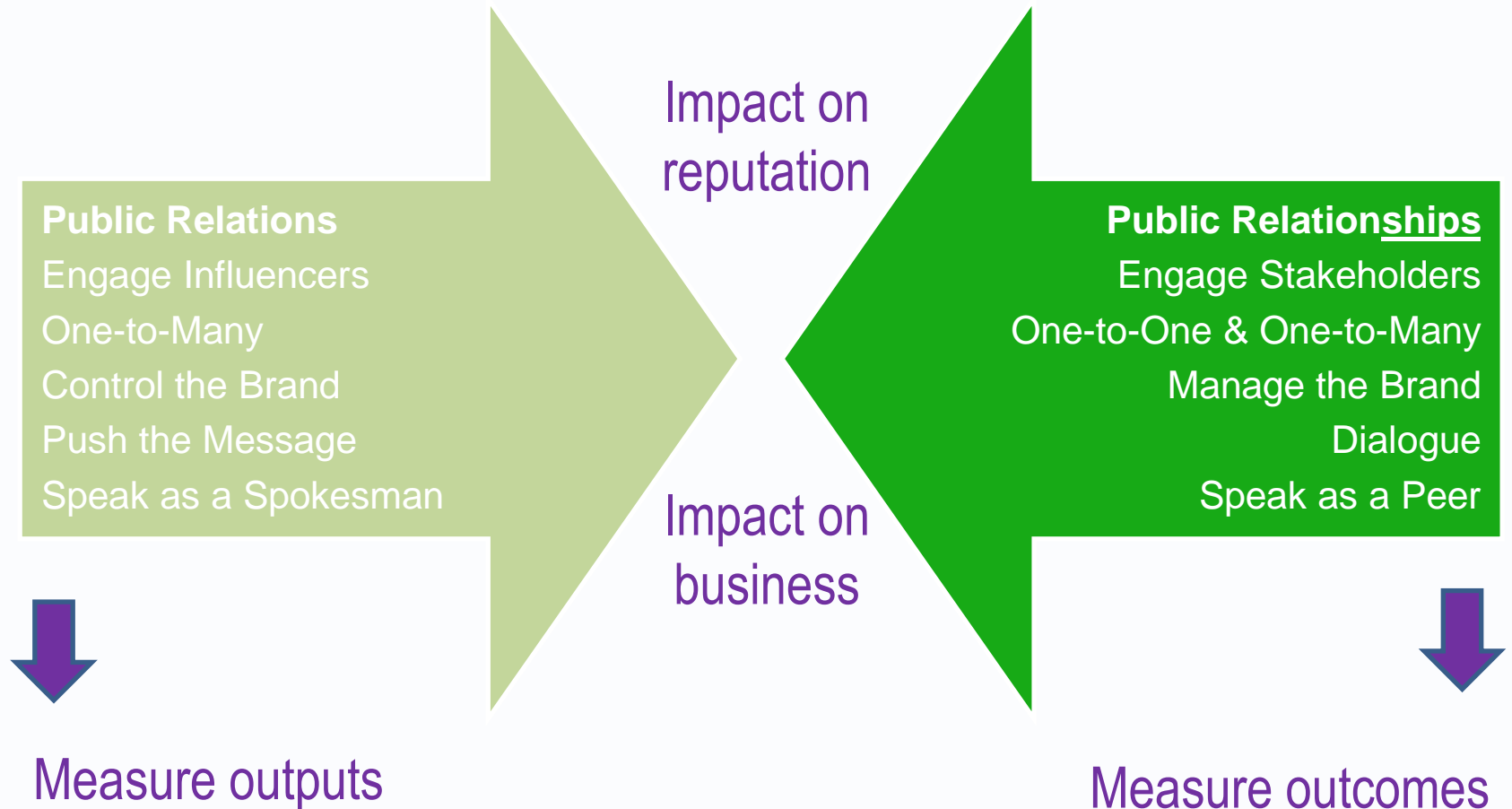


# What We Want to Understand...

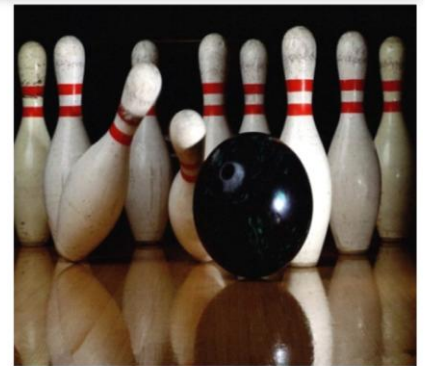
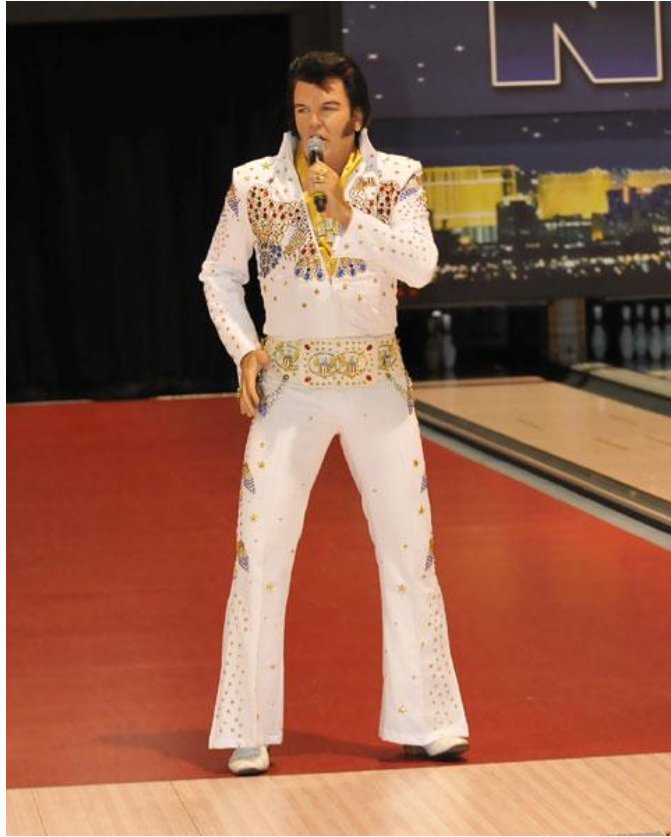
- How are *our activities (or outputs)* directly driving desired **outcomes**?



# We've All Gone through a Mindset Shift



# Evolving Our Perspective...



# Principles in Action

## Barcelona Principle: Measuring the Effect on Outcomes is Preferred to Measuring Outputs

- From goal-setting to assessment, we employ an iterative approach to assessing the outcomes of our efforts both in the short- and long-term

**US consumer survey, analyzed not only the overall health of the company's reputation across key reputation drivers but also the relative importance and relevance of those reputation drivers on desired outcomes (e.g., purchase intent, willingness to recommend).**

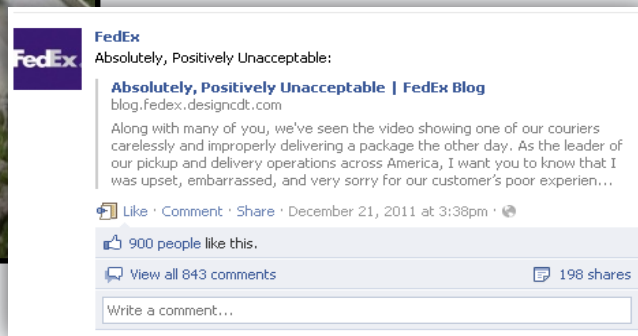
- Assess strengths / opportunities
- Drive focus
- Link goals to business outcomes
- YOY benchmarking



# Principles in Action

## Barcelona Principle: Measuring the Effect on Outcomes is Preferred to Measuring Outputs

- Employing same principle to issues and crisis management to not only gain a traditional 'pulse' of sentiment but also what that sentiment could mean to the business.



**Not only immediately monitored the tone and sentiment of stakeholder reaction to event and to corporate response but also likelihood to impact perceptions of company and behaviors toward company.**

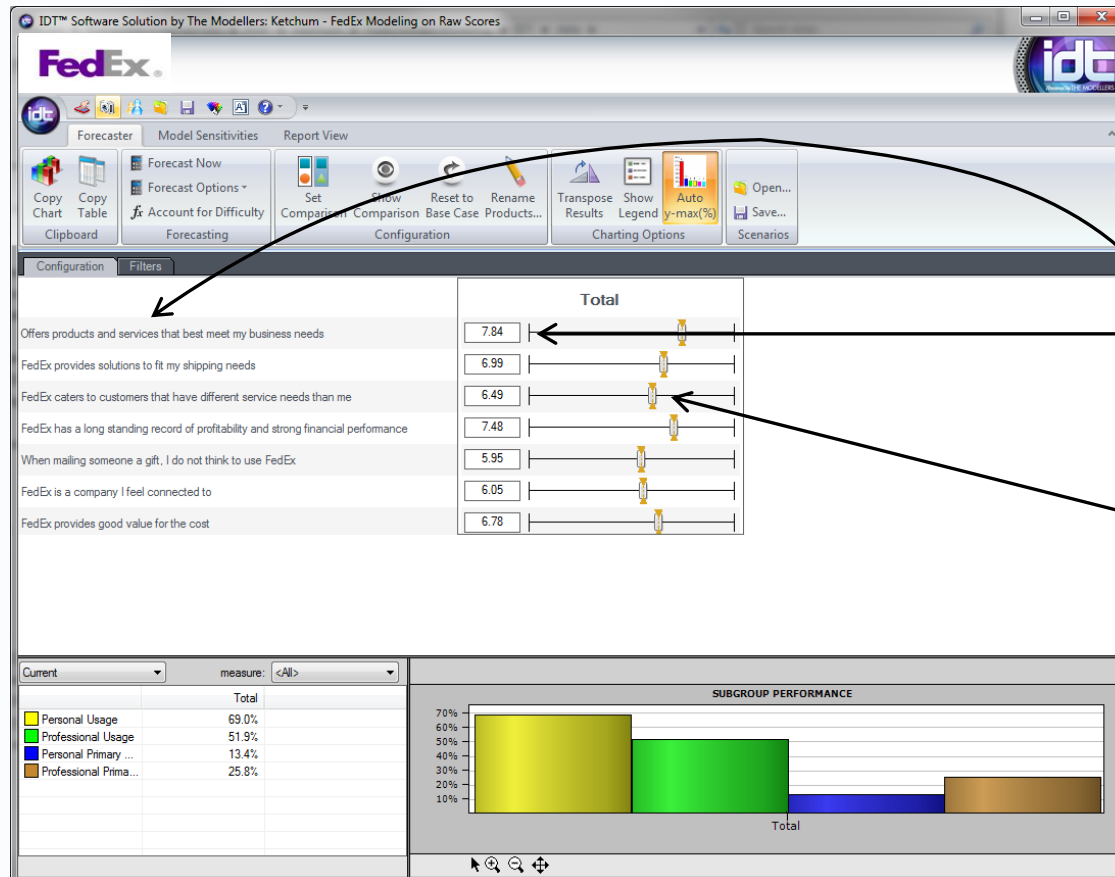
**“THIS** is how you handle a corporate crisis.”

- Charlie White, Senior Editor, *Mashable*

# Principles in Action

## Barcelona Principle: Effect on Business Results Can and Should Be Measured Where Possible

- Applying modeling to build a direct correlation between our reputation and business outcomes



The IDT Forecaster is a tool that helps to see how usage changes when efforts are made to affect drivers.

Each driver is displayed at its original value (in this instance, from a recent US consumer reputation study conducted by FedEx).

The user can modify the current values by either typing in the box or using the slider.

Results are displayed in both table and chart views at the bottom.

# Principles in Action

## Barcelona Principle: The Effect on Business Results Can and Should Be Measured Where Possible

- Model in Action: Applied model to isolate the key drivers of reputation with the greatest potential effect to motivate consumer behavior in line with desired business results.

### Drivers of Reputation

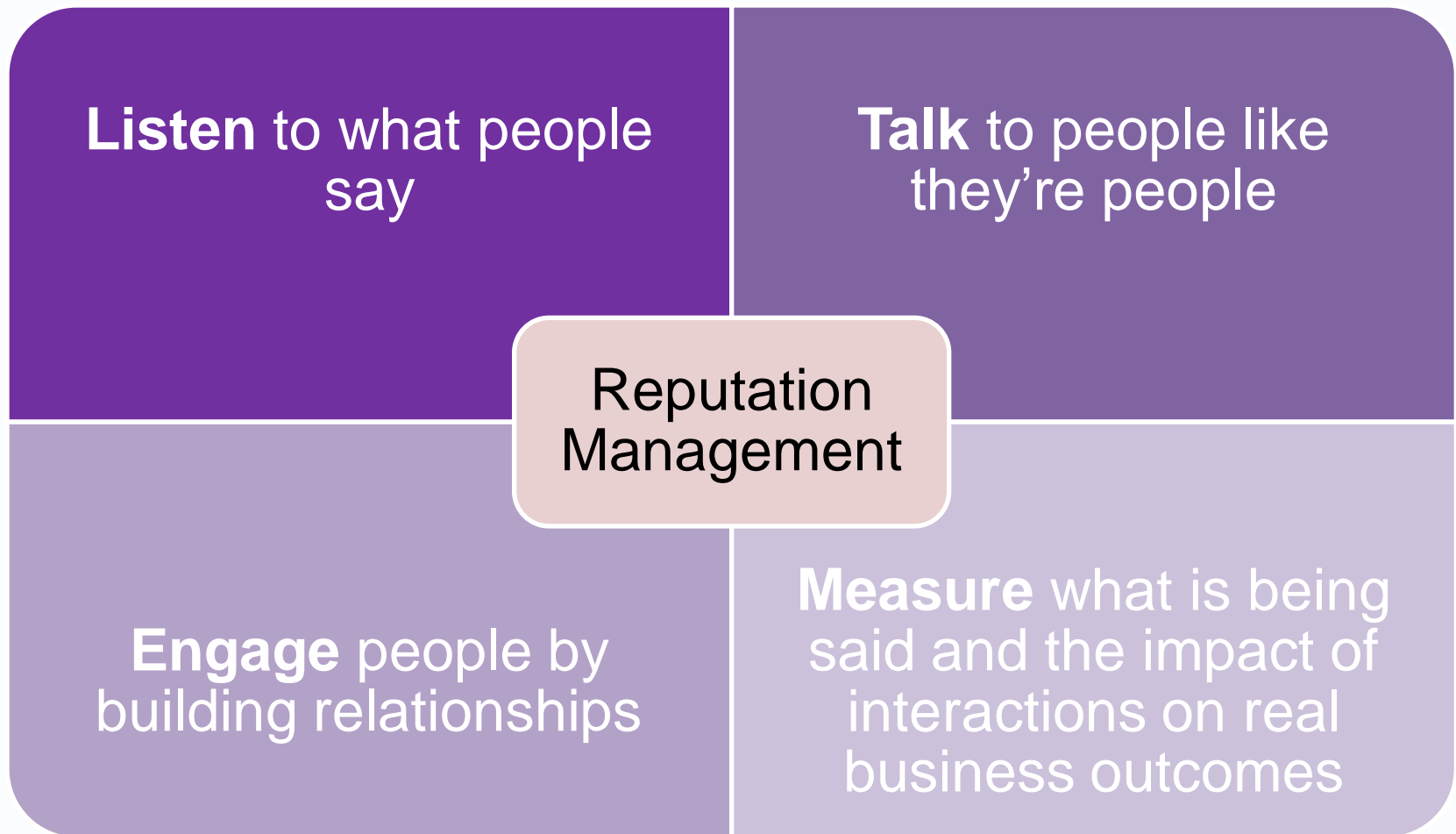
- Attracts and keeps dedicated and talented employees
  - Is accountable for its actions
- Is a company I want to do business with
  - Is well run and managed
  - Is a company I can trust
- Is an honest and transparent company
  - Is a company with integrity

Provides solutions  
Send a gift  
Part of community  
Solutions-oriented  
Exceeds expectations  
Trust  
Customer Care  
Financial Strength

### Drivers of Usage

- Provides solutions to fit my needs
- Caters to customers that have different service needs than me (decreased usage)
  - Has a long-standing record of profitability and strong financial performance
- When mailing someone a gift, I do not think to use FedEx (decreased usage)
  - Is a company I feel connected to
  - Provides good value for the cost
- Offers products and services that best meet my business needs

# Final Thoughts...



# David Kellis

Director, PR & Social Media, The Clorox Company

4<sup>th</sup>

EUROPEAN SUMMIT  
ON MEASUREMENT

13-15 June 2012, **Dublin**



**amec**

# Measuring Business Results of PR & Social Media

4<sup>th</sup>

EUROPEAN SUMMIT  
ON MEASUREMENT

13-15 June 2012, **Dublin**



**amec**

# Has this happened to you?



© marketoonist.com



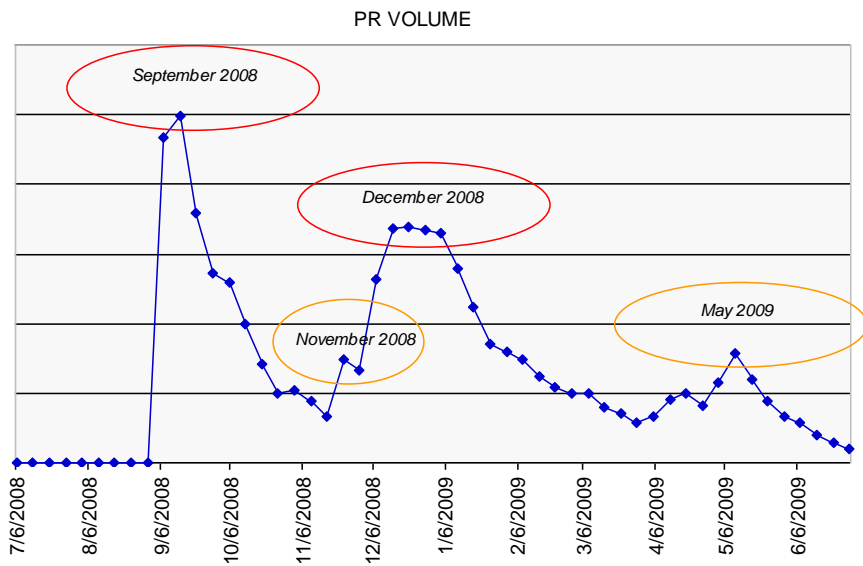
# The Evolution of Measuring PR

- In the old days of PR when people talked about business results or ROI, we smiled and told people to have faith
  - We got props for credibility
  - Kudos for long-term brand-building
  - Sometimes we got purchase intent
  - We were sure it worked, just not sure how or how much
- The Dark Ages ended in the mid 2000s and a new era of PR enlightenment began in which many companies, including Clorox, measured the efficiency and ROI of PR – dollar for dollar

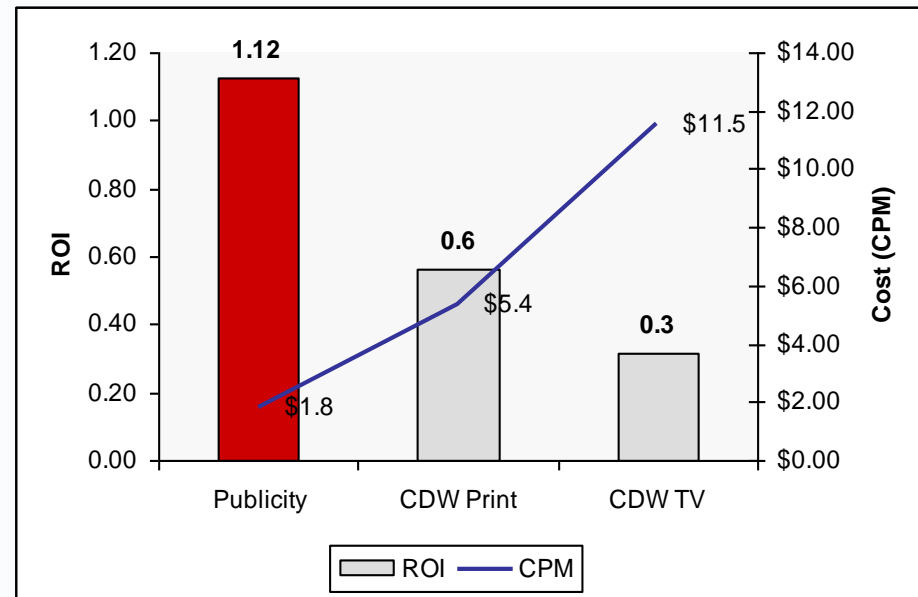


# How We Measured PR at Clorox

- Measuring PR via a Market Mix Model
  - The model (a regression analysis) is able to isolate the impact of PR on volume
  - Low CPM has been correlated with strong ROI
  - PR has been measured 7 times across 5 different brands at Clorox
    - ROI ranged from \$1.12 to \$3.67 per dollar spent



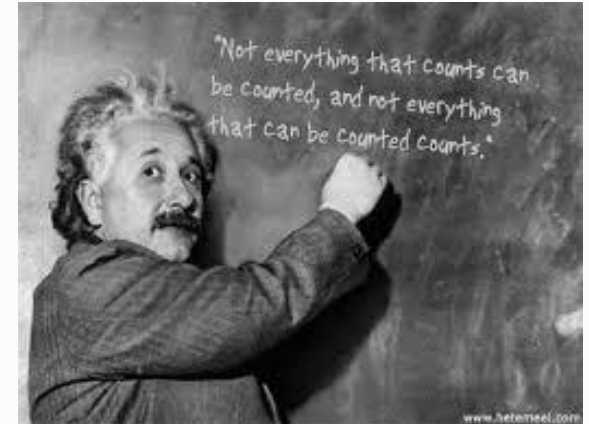
Spikes in sales attributed to PR



ROI of PR compared to other vehicles for one campaign

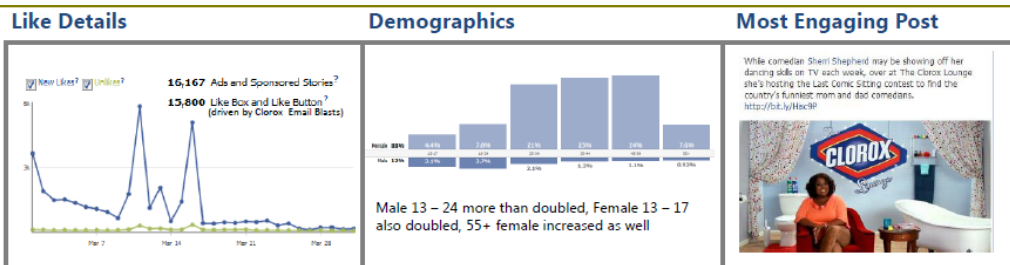
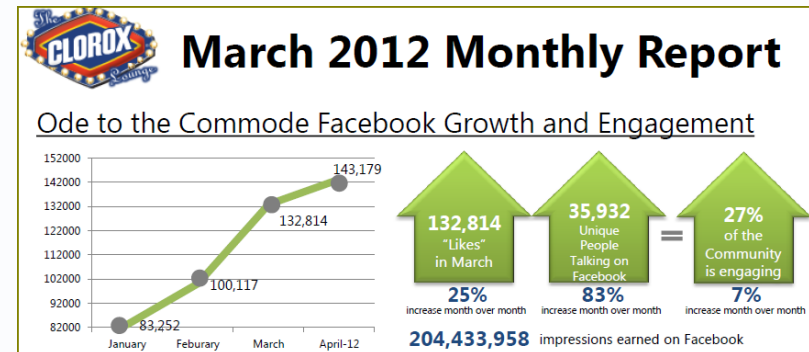
# Social Media ROI is Next

- The time has come to do the same with social
- But there's a step in between called **Engagement** and like the old days, we know it's worth something but not sure how much
- Hypothesis:
  - High engagement = efficient spend (ROI)
  - Engagement KPIs are Facebook fans, Facebook reach/impressions, video views/shares, unique website visits, impressions, positive tone, etc.
- Each program will have unique KPIs versus standard ones



# How We're Measuring Social

- We're still going to use the Market Mix Model
- But we're going to measure it from a **social campaign standpoint**
  - Earned social media and paid social together
  - Won't distinguish between value of Facebook advertising versus Facebook page, but the two are intertwined
  - KPI's achieved by social campaign
- Clorox's first measurement is under way
- But others have already succeeded



## TheCloroxLounge.com Growth and Engagement

Users who register for the site are highly engaged and comment frequently.

**43,148** Unique Visitors (up 8%)  
**83,654** Visits (up 13%)  
**274,164** Page views (up 7%)  
**3.28** Pages/Visit (down 0.2)

**9,696** Registered Users (up 30%)  
**2,254** Visits via Mobile (up 31%)  
**116** Average Comments per Post (up 62%)  
**58,198** Sweepstakes Entries



# Companies Measuring Social

## ■ P&G

- “P&G has been doing Market Mix Modeling for the past decade. We've been able to apply it to every form of digital, be that search, social media, public relations.”

## ■ Nutella Germany

- Facebook paid advertising yielded a significant positive ROI for Nutella Germany
- People who were exposed to Facebook + TV produced a higher ROI than expected from each individual medium in isolation

## ■ Diageo

### BUSINESS RESULTS

Diageo generates big sales by investing in its Facebook community

Facebook Premium Ads helped Diageo **step up sales by 20 percent** collectively across five of its brands participating in a Nielsen test.

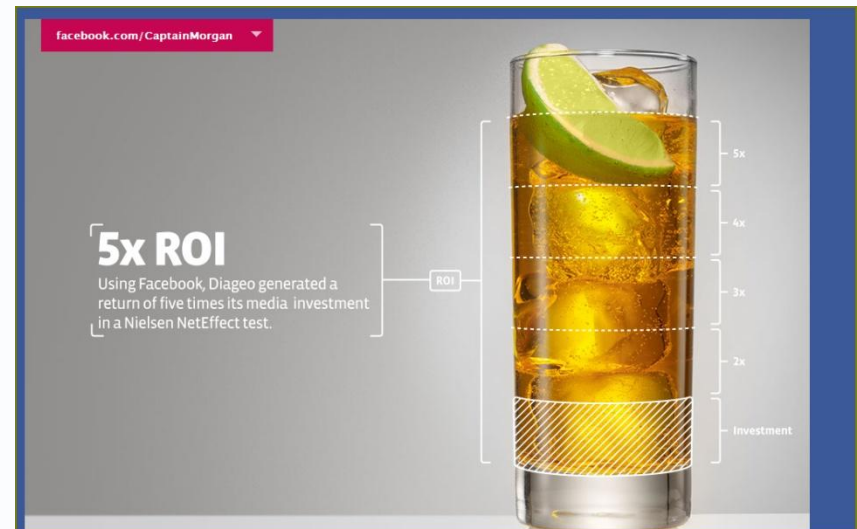


Watch a video for this case study

With iconic brands like Johnnie Walker, Crown Royal and Jose Cuervo in its mix, Diageo is well “liked” around the world. In fact, before Diageo launched its official Baileys Facebook Page, the liqueur brand already had thousands of Facebook fans on fan-created Pages. But would a Facebook presence help this spirited company sell drinks?

Diageo was curious. So the brand worked with Nielsen to evaluate whether a campaign seeking to gain fans across five of its brands would lift sales. Diageo encouraged people to “Get onboard” with Premium Ads for Captain Morgan. For Smirnoff, Premium Ads invited people to connect with the brand’s Page to get early access to key product information and sip-worthy recipes.

With Facebook, Diageo targeted its ads to customers of legal drinking age. In this controlled test environment, for people exposed to Diageo’s Premium Ads, the company saw something it could toast to: a 20 percent increase in total sales collectively across the five brands participating in the test.



# What's Next

- Let's hope the next PR measurement principle is
  - “Social can and must be measured by business results”