

COMMUNICATION AGENDA

Communication and Reputation Management Information Service

Five Measurement Predictions

When I joined Ketchum almost 10 years ago, a group of young employees sat outside my office cutting articles from newspapers and magazines and posting them in clipbooks for their clients. That was measurement to many, and it was based on how big was the stack of clips. It was PR by the kilo.

In this last decade, there has been significant change and added sophistication ranging from the digital delivery and scoring of clips, to better integration of PR metrics in market mix models long favored by advertisers.

So, to be bold, here are my five predictions of will happen in PR measurement by 2015:

1. AVES Go Away, Sort Of:

Advertising Value Equivalents (AVEs) are the practice of assigning a value to a media placement as equal to the cost of buying the same space as advertising. Some go so far as to multiply this cost by 2 to 7 to even 15, based on a presumed greater credibility of earned versus paid space.

I believe that by 2015, the term AVE will be gone and replaced with something such as Weighted Media Cost (WMC). Why WMC? First, the "C" is cost, reflecting this is not the value or outcome produced by the advertising or editorial, but its cost. Second, the "W" means that it will be weighted to reflect two things –actual or negotiated ad rates; and the quality of the article. Until recently, most people using AVEs assumed all coverage was perfectly good; it's not and it can be bad. So, weighting is critical. And, there is no "M" in this acronym; multipliers have been proven to rarely exist.

2. Corporate Reputation Research Gets Causal:

Most corporate reputation research is correlative showing which aspects of reputation tend to move most closely with overall reputation or consumer behavior. New research approaches, however, are showing causality where if you move someone's opinion on a set of values or attributes of reputation, you can predict how much their behavior will change. By 2015, I believe this will be the standard.

3. Social Media Measurement is No Longer the Wild West:

Whatever you do, don't sign a long-term contract from a social media measurement tool. Every day, a new (and sometimes better) tool comes on the market allowing you to track blogs, Twitter, etc. Within five years, a standard should emerge.

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I believe it will be based on:

- 1) A defined set of metrics that have proven how social media drives business performance.
- 2) A philosophy of ignoring lots of social media..."you don't need to boil the ocean to get a cup of salt."
- 3) A better understanding of how different aspects of the social media universe connect to one another and to traditional media.

4. Market Mix Modeling:

This approach is based on econometric modeling to show how (usually) sales is affected by various forms of marketing communications, macro-economic variables, price and even the weather. PR has often been left out. However, with the advent of digital monitoring of traditional and social media, PR data can more easily fit in these models. By now showing the ROI for PR versus other marketing choices, PR may do a better job of getting a seat at the Board table.

5. The Tipping Point:

Malcolm Gladwell's book describes how social trends "tip" when a few special people say the right messages in the right context. While very intriguing, no one has really figured out how to apply this thinking in a predictive way. The answer will probably be driven by the shift toward social media. Usually, any one tweet or one blog post is irrelevant. Where social media becomes powerful is when there is lots of engagement by many people in many channels, often connecting to traditional media. Predicting when something gets enough "communications energy" to tip social behavior is one of the most exciting challenges to solve in the next five years.

We'd love to hear what you think of these predictions. Write to us at communication-agenda@pleon.com. Many thanks.