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Business Strategy | Marketing Communications

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Why PR Is So Good

By Tom Marx

Would you like to stop justifying your P.R. budget? What would it take to effectively report the relationship between your P.R. budget and the results – such that P.R. is considered essential to your marketing plan, rather than 'a lot of fluff?'

As we head into the budget-crunching season, we marketers start to look at what tactics have been the most effective in moving the needle. One successful tactic that keeps on rising to the top for us is Public Relations.

We often write about the advantages of a fully integrated marketing campaign. When one adds P.R. to the mix of marketing tactics, what gets delivered is significantly higher ROI than would have occurred without it. Especially when there is trade media involved.

However, we understand that for many, when it comes to measuring the effectiveness of P.R., it's like trying to hold onto a slippery fish.

We've designed a system that helps us measure the effectiveness more accurately. We've found this little tool to be simple to apply and effective in its results. We invite you to use it, and, if you are so inclined, send us your ideas on how we can make it better.

PR Tracking System

To make this system work, you must promptly capture the P.R. that has been successfully placed. It works to have as many eyeballs on the media as you can, funneling any P.R. that shows up to a P.R. tracking manager.

If you are submitting P.R. to a narrow market, say print media in the Automotive Aftermarket, it works to assign someone on your staff to be this P.R. tracking manager. Doing the tracking in-house can be more effective than using a tracking service.

If you are reaching a broader audience, including TV, radio or online, then you would want to use the services of a P.R. tracking firm, such as PR Newswire, Luce, NewsReel.com, and many more. Tracking services tend to do better with broad-based media, and consumer-based media.

Step 1: Enter the information into a spreadsheet

To properly track what has been published, have the tracking manager enter the information below into a spreadsheet. Each heading is a separate column:

- Media
- Date of issue/publication
- Size of space
- Headline (of the press release/article, or BRIEF description that will clearly identify the piece)
- Estimated \$\$\$ value (see Step 3 below)

Always make a digital or hard copy of the P.R. piece that was run and keep this and the tracking spreadsheet in a file system, either on your server or in a 3-ring binder.

Step 2: Make an honest assessment of the value

You'll be adding a column to track the estimated dollar value of each piece, based on the actual value of a full-page paid ad (we use the 12x full page color rate for our formula, choosing the rates of an average trade magazine). We estimate the size of the piece (1/8, 1/4, 1/2-page, etc.), and then use the calculation function of the spreadsheet to calculate the estimated dollar value of the editorial that ran. At the end of each month, total the value and have a grand total at the bottom.

Step 3: Share the information quarterly with management, client or agency

We send this spreadsheet to our clients on a quarterly basis and review the results during one of our quarterly "how are we doing" meetings.

Step 4: Make the information 'searchable'

Lastly, put your press releases on your website and then design some SEO (Search Engine Optimization) process around those PR articles and white papers. Search engines will be able to find this information and lead your audience to your website.

Why P.R. is so good

If you track your P.R. results rigorously, and if your P.R. program is being aggressively and effectively managed, we believe you'll be significantly surprised about the results.

Proving Value

So what does this mean to management? We'll give you an example:

One of our clients donated scholarship funds to a popular university. For a modest investment of \$1,000, we tracked placements in various trade magazines and on-line trade newsletters that represented over \$19,000 in PR value in a 9-month period. This is an ROI of 1900%!**

That's amazing leverage. Plus, the customer's brand message was being delivered throughout the channel, in their language and their words.

One major impact to this kind of industry-wide exposure is that your company can start to be seen as the authority and go-to-source by editors. This will add even more value, and this value is experienced at the consumer side as well. All publications enjoy getting "free material" to run, as long as it is topical and not self-serving for the submitting company.

What's most important is the leverage that is achieved for your media investment. We find that the ROI on media placed is generally in the 200-500% range. That means that if you are spending \$100,000 on trade media, you can expect \$200,000 - \$500,000 in ROI when implementing a comprehensive P.R. effort.

Well-written, well-thought out P.R. has a better chance of producing results in this percentage range.

P.R. that is haphazard, poorly written, or contains no news value, cannot expect to have those types of results.

Using our trusty little tracking device could help you begin to pay attention to the seemingly soft, but ultimately valuable, ROI of a good integrated marketing plan (which includes a strong PR component). Knowing that there are hard dollar equivalencies could make all the difference in establishing an effective marketing budget.

(Write us and we'll email you the spreadsheet we designed. Email Kerri Petersen at kpetersen@themarxgrp.com).