Weighted Media Costs –
The Metric to Use to Prove PR Works

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Member, IPR Commission on PR
Measurement & Evaluation
Introduction

- WMC links traditional media coverage to business and organizational outcomes
- Our work = changing audience attitudes and behaviors
- Best practice - measure outtakes and outcomes directly
- Not always possible AND still need to analyze outputs
- Fortunately, other techniques indirectly link our work to outcomes through correlations
- So the question would be: what metrics help us do this best?

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Why do you care in this new social media age?

- Traditional media - at $228 billion in last year
- Can’t not know which half is working
- Objective, scientifically-proven and predictive metrics
- The strongest use market-driven weighting of media costs
- Subjective metrics may or may not have a market relationship
- *If we don’t use the best possible metrics, we may not see correlations to outcomes.*

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What is a correlation?

- Quick definition: A “correlation” is a relationship between two independent variables.
- If one goes up, so does the other!
- It isn’t “hard proof”
- Perfect is $r = 1.0$,
- $r = .7$ is good for social science

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New paradigm & contrast

Ad Value Equivalency
– Uses media cost as if it were **EQUAL** to an ad in terms of **IMPACT**
– **Used as the measure of success**, as an **outcome** instead of as an output.
– Banned by the IPR Commission

Weighted Media Costs
– Uses media cost media space/time occupied by a client in a story as a measure of the **strength of the MEDIA itself. Like real estate beneath a house.**
– It has **no absolute value**; it is an **output only**
– Strictly an index against which to measure against …

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Why do we care?

- Nine years - how best to correlate NON-PAID media to business outcomes
  - Hundreds of studies on millions of clips
  - Consistently have seen that WMC outperforms other popular metrics
- Three years relating findings to PAID media and integrating the total results to outcomes
- Bottom line: metrics matter
- Foundation – two IPR white papers

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Does non-paid media affect outcomes?

PAPER #1: “Exploring the Link between Media Coverage and Business Outcomes,”
www.instituteforpr.org.

- A “preponderance of evidence” in three case studies:
  - Volume alone
  - Tonality-refined volume
  - Message-refined volume
- YES - positive, on-message volume usually has an effect.

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Does non-paid media affect outcomes?

- **Paper #2: “Exploring the Link between SHARE of Media Coverage and Business Outcomes,”**
  - www.instituteforpr.org
  - Measuring competitively **almost always** has an effect!
  - **Quality + Quantity** of your coverage compared to your competitors’ – **Share of Discussion**
  - Quality: at a minimum, **Net Positive**
  - Quantity: Clip Counts, Impressions or Media Costs

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Does non-paid media affect outcomes?

  - Asks the question: which quantitative metrics work best?
  - Compares Net Positive Clip Counts, Audience Impressions and “Weighted Media Costs” for best correlations
    - Presents four new case studies
    - Calls for paradigm shift in name and use of the most successful data point
    - Banishes old-fashioned AVE

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International Charity Net Positive WMC Compared to Funds Raised for 31 Days

<table>
<thead>
<tr>
<th>Story Counts</th>
<th>Impressions</th>
<th>Weighted Media Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>$r = .44$</td>
<td>$r = .62$</td>
<td>$r = .74$</td>
</tr>
</tbody>
</table>

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**Chart B: Industrial Client Metrics Comparisons**

<table>
<thead>
<tr>
<th>Story Counts</th>
<th>Impressions</th>
<th>Weighted Media Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>$r = .79$</td>
<td>$r = .73$</td>
<td>$r = .95$</td>
</tr>
</tbody>
</table>

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Hospital Study

<table>
<thead>
<tr>
<th>Story Counts</th>
<th>Impressions</th>
<th>Weighted Media Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>$r = .42$</td>
<td>$r = .30$</td>
<td>$r = .74$</td>
</tr>
</tbody>
</table>

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In all four, only WMC consistently improved correlations.

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For one thing, size matters

- Clip Counts – both stories are counted as 1
- Impressions – both stories have a circ of 30,000
- WMC – one story has a “real estate” cost of $10,000, and the other only $1,000. Delete $$ signs and use as an index.

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Why is this So?

- Size of audience
- Credibility of media source
- Ability to deliver an outcome
- Prominence of news coverage
- Objective, market-driven data

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The bigger picture: integrating paid media

- Today’s priority is integration!
- Ad measurement hasn’t been right either - ONLY quantitative; need qualitative index
- Impressions and GRPs aren’t equal across media types!
- Like in PR, weighting based on market-defined media costs correlate better.
Using WMC Effectively

- Parse-out portions of story you own
- Use negotiated rates
- Subtract negative coverage
- For unknowns, utilize estimated costs from similar sources; mainly, be consistent in your approach
- Use as a comparative index over time, against competitors or against objectives

Never, ever use the dollar score as an outcome result!!!!

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Calculating NET POSITIVE Weighted Media Costs and Share of Discussion

- Capture news coverage of your organization.
- Calculate WMC for all coverage.
- Measure Tonality of each story; subtract negative stories from (positive + neutral) to get Net Favorable WMC.
- For Share of Discussion – do the same for each competitor, and divide each company’s Net Favorable WMC by the total.

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Example: Share of Discussion Calculation

<table>
<thead>
<tr>
<th>Clients</th>
<th>Total WMC</th>
<th>Positive Plus Neutral WMC</th>
<th>Negative WMC</th>
<th>Net Positive WMC</th>
<th>Share of Discussion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Firm A</td>
<td>$140,000</td>
<td>$100,000</td>
<td>($40,000)</td>
<td>$60,000</td>
<td>44.4%</td>
</tr>
<tr>
<td>Firm B</td>
<td>$250,000</td>
<td>$150,000</td>
<td>($100,000)</td>
<td>$50,000</td>
<td>37.0%</td>
</tr>
<tr>
<td>Firm C</td>
<td>$75,000</td>
<td>$50,000</td>
<td>($25,000)</td>
<td>$25,000</td>
<td>18.5%</td>
</tr>
<tr>
<td>TOTALS:</td>
<td>$465,000</td>
<td>$300,000</td>
<td>($165,000)</td>
<td>$135,000</td>
<td>100%</td>
</tr>
</tbody>
</table>
Plot sales, leads, web hits or survey scores on a chart with some time-lag behind Share of Discussion that reflects your organizations outcomes cycle as in this example – a one-quarter lag.
Calculating Correlations for Dummies

- Simple correlations can be pulled out of Excel using one of two commands: \( =\text{CORREL} \) or \( =\text{PEARSON} \)
- Setup an Excel spreadsheet with your data tables where the first row is Share of Discussion, and the second is your business result.

<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Time Period</td>
<td>Period 1</td>
<td>Period 2</td>
<td>Period 3</td>
<td>Period 4</td>
<td>Period 5</td>
<td>Period 6</td>
</tr>
<tr>
<td>2</td>
<td>WMC</td>
<td>10,500</td>
<td>14,500</td>
<td>19,500</td>
<td>19,000</td>
<td>10,000</td>
<td>50,000</td>
</tr>
<tr>
<td>3</td>
<td>Leads</td>
<td>0</td>
<td>12</td>
<td>13</td>
<td>20</td>
<td>30</td>
<td>45</td>
</tr>
</tbody>
</table>

In an empty cell, enter the cell numbers of the starting and ending values in each row like this: \( =\text{Correl}(B2:G2,B3:G3) \)

Hit enter … and it returns a correlation of \( r = .75 \).
For White Papers or More Information

- “Measuring Media Coverage Effectively” – (how-to steps for calculating media values correctly)

- “The New Found Impact of PR on Advertising,”
  by Gary Getto, VP Integrated Media Research, VMS

- “Sticky Wickets: Credibility & Readership Multipliers”

- “Exploring the Link between Media Coverage Volume and Business Outcomes,” an IPR Commission paper by Angela Jeffrey, Dr. David Michaelson and Dr. Don Stacks.

- “Exploring the Link between SHARE of Media Coverage Volume and Business Outcomes,” an IPR Commission paper by Angela Jeffrey, Dr. David Michaelson and Dr. Don Stacks.

- Email ajeffrey@vmsinfo.com or Call 1-214-722-9006

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