



## Healthcare Marketing

### Public Relations: Measuring ROI

Measuring the impact of public relations has never been a more critical issue. When the economy turns troubled, the traditional reaction of executives has been to rein in marketing and public relations activities. As budgets tighten up, every line item is under intensified scrutiny. Managers ask: Do we really need to do this? And what is our ROI that justifies the commitment of people and dollars in this endeavor?

As in previous economic downturns, executives are demanding that the value they are getting from their public relations programs be quantified. There's more at stake in this quest than just preserving programs and jobs - a recent survey reveals the power of targeted communication to genuinely affect whether a business can survive and succeed through a down economic cycle.

#### Measuring the results

How does one go about measuring the results of PR?

This is a question that has been asked since the dawn of the profession. The answers today are different from what they were even a few years ago.

The measurement process begins with defining what the company wants to measure. This seemingly simple question leads directly to the business objectives of the company. Public relations must demonstrate how it supports these business objectives. The dialogue between the C-suite and the public relations executive to identify first, what these objectives are, and second, how PR strategies will be identified to support them, is integral to the measurement process.

For example, the PR team of one healthcare organization proudly presented the results of a media relations campaign that successfully generated articles in key publications, only to have the president of the company question its effectiveness because he did not see that any business leads had been generated from the campaign.

The team had been pursuing the increased awareness and credibility that accrued from media coverage, but no mechanism had been built into the program to measure or identify what leads were generated from the placements because they did not realize this measure was how the top executives would evaluate the success of the program. The question, "How do you measure success?" needs to be asked and answered while a campaign is in its development, not at the end.

With that said, it needs to be recognized that when PR is part of an integrated marketing program with clearly defined messages and objectives, it is challenging to isolate the impact of public relations alone.

Another company, which measured pre- and post-awareness of its services on an annual basis, was able to identify that awareness with one key market tripled in two years, and with another, grew from no awareness at all to 15 percent within that time period. During the same period, the company's sales doubled. Public relations was a major component of the communications tactics used to reach and influence

these audiences, and thus was credited with playing a large part in achieving these results.

### **Identifying criteria**

In identifying measurement criteria, care must be taken to distinguish between public relations outputs and public relations outcomes. Outputs are results of public relations tactics, such as the amount of press coverage received or exposure of a particular message. Outputs are how well and to what degree the public relations activity was performed: how many reporters and from what publications attended a press conference, how many and what types of prospects visited a trade show booth or attended a speech, how well a spokesperson communicated company messages during an interview.

Outcomes are more important, but harder and usually more expensive to measure: how awareness, attitudes and behavior actually changed as a result of the campaign.

### **Measuring outputs**

Measurements of outputs can take a variety of forms, from simple to complex. One traditional method of measurement has been advertising equivalency comparisons - equating the media coverage with the cost of purchasing advertising.

This method continues to be controversial, with proponents qualifying the dollars-and-cents computation with additional multiples to quantify the credibility factor of PR over advertising, and naysayers claiming one cannot measure the impact of media coverage through this method. Nevertheless, this form of measurement is one that is familiar to executives and will no doubt serve as a benchmark for measuring PR programs for some time to come.

Other ways to measure output include:

- **Media coverage in targeted media.** What were the media targeted, and what percentage covered the company?
- **The quality of the coverage.** Was it a mention, or was it a profile of the company? Were photos included? Were quotes "pulled through" the company and highlighted in the text?
- **Tone.** Was the tone of the article positive, negative or neutral?
- **Company messages.** Were the company messages communicated through the coverage, and to what degree? This type of measurement is growing in popularity with corporations. Several outsourced media analysis companies are offering services to compute it, thereby freeing up valuable staff time that might otherwise be taken up with this analysis.

**Measuring outcomes** While outputs are relatively simple to identify and measure, measuring outcomes requires more sophisticated and precise data-gathering research tools and in most instances, a commitment of expenditures that becomes a line item in the PR budget. Examples of research techniques used to measure outcomes include:

- **Surveys.** Types of surveys include in-person interviews, mail, fax, e-mail, Internet and intercepts in malls.
- **Pre- and post-test studies.** These collect data prior to the campaign to generate benchmark information, and after or during a campaign to measure awareness, attitude or behavioral change.
- **Focus groups.** These provide qualitative data on the opinions of a small group of people. They include multi-variate studies that rely on advanced

statistical applications such as correlation and regression analyses, Q-sorts and factor and cluster analysis studies.

To this list can be added more pragmatic measures of the responses generated as a result of public relations activities, and how these responses translated into sales, such as:

- Did website "hits" increase after articles appeared? How long did these visitors stay on the site? Did they request information and/or take action to contact the company?
- Did calls to the call center increase as a result of coverage? What was the quality and quantity of these inquiries? Did they turn into qualified leads for potential new business?
- Did a speaking event generate new contacts and/or leads? Producing and distributing "feedback cards" at these events can gain feedback on how well the talk was received and identify new contacts for the company's database.
- When the article appeared, was the author or executive quoted contacted directly by readers, either by phone, e-mail or mail? What about responses that may be printed or collected by the publication online?
- If one of the goals was to increase the number of RFPs that the company receives, has there been a measurable increase in the RFPs received over time?

Often, this information comes to PR anecdotally, i.e., the product manager mentions that the relationship with a new product's first customer originated with their call about a bylined article on this new concept. Tracking these responses over time to be able to identify how responses to PR activities translate in sales results will require a coordinated effort between individuals and departments but will eventually provide important information on outcomes of PR programs. In the process, the awareness of other departments and executives of the impact of public relations will be significantly increased.

In summary, it must be said that there is no one way to measure results of public relations programs. Measurement for your company or your program will probably encompass several of the measurement methods described in this article. The most important step is the one taken at the beginning: identifying clearly how PR supports the company's business goals, and then addressing how success will be measured.

**References:** "Guidelines and Standards for Measuring and Evaluating PR Effectiveness," The Institute for Public Relations, Commission on PR Measurement and Evaluation, 1997.

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