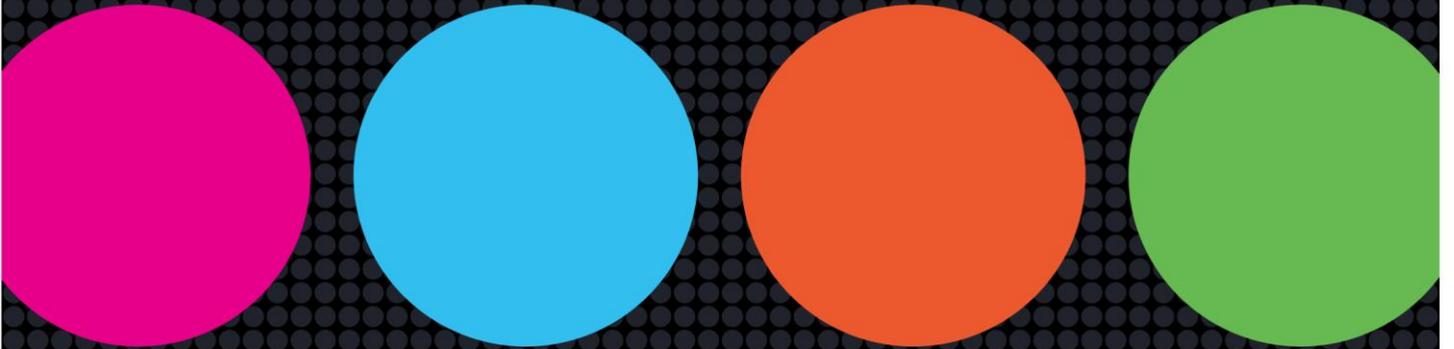

Hotwire Measurement Framework

White paper



HOTWIRE

Andy West
group chief development officer

33/41 Dallington Street
London EC1V 0BB
T: +44 (0) 207 608 8352
andy.west@hotwirepr.com
www.hotwirepr.com



Foreword

Barry Leggetter, executive director, International Association for Measurement and Evaluation of Communication (AMEC)

Hotwire's new Measurement Framework is a real leadership step in the PR industry. By taking such a step, you are showing staff and clients that you see the value of making "measurement matter". The difference is that Hotwire not only *sees* the importance of measurement – you are doing something about it with your new framework.

What I particularly like is that you have reviewed your previous measurement approach and then looked at the best practice within the international measurement sector, in this case [AMEC's Valid Metrics](#). And being Hotwire, you have made it even better and appropriate for your company on a global basis!

AMEC's own measurement journey began in 2010 in Barcelona with an idea that became better known as the [Barcelona Principles](#). It signalled the moment when PR programme measurement emerged as a business imperative by becoming the first ever framework for global measurement standards for public relations. A milestone in measurement followed by AMEC's development of the Valid Metrics methodology that Hotwire has incorporated into its own thinking.

I congratulate Hotwire for saying "measurement is not an option, but a strategic discipline at the heart of what we do".

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Introduction

Talk to any PR practitioner in virtually any sector, whether client or agency, and they will tell you that the lack of a universally accepted measurement methodology is a factor that holds back the credibility of PR as a professional service.

Things are changing. The International Association for Measurement and Evaluation of Communication (AMEC) has been working for the past three years with agencies, research organisations and in-house practitioners to develop a worldwide approach to measurement that could change the landscape of PR. It is this, along with our own experience on the subject that forms the basis for the Hotwire Measurement Framework.

Twelve years ago when Hotwire was born, we set out a vision for the business that said “next generation PR today”. Over the intervening years, Hotwire has developed as a business with an increasingly broad range of clients across multiple sectors all around the world. However, we have not strayed far from our roots when it comes to our commitment to accountability and transparency.

We still believe in challenging the industry in which we work and in ensuring we push back the boundaries of what is expected of our profession. It is this philosophy that fuels our quest to provide a strong solution to the one question that still obsesses the best minds in communication: that of measurement.

The birth of Valid Metrics

AMEC is an international trade body for agencies and practitioners who provide evaluation of the media and communication research. The body has 120 members across 41 countries globally. Members of AMEC are bound by a Code of Practice that ensures the highest standards of professionalism within the industry.

In 2010, AMEC held a summit in Barcelona that set the precedent to go beyond Advertising Value Equivalency (AVE) as a valid form of PR measurement. The founding ideas of the summit have gone on to be known as the Barcelona Principles.

These are:

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.

Building on these principles, AMEC unveiled the Valid Metrics Framework in 2011, an approach offered to communications professionals that could help properly measure the true benefit of a PR campaign. This framework is the foundation of Hotwire's renewed focus on measurement.

Where we are coming from

Since Hotwire's inception, we have always strived to place measurement at the heart of the Hotwire proposition. Our initial academic approach to measurement has benefited the work we do, the relationships we have with our clients, and the business gains we make for them. Put simply, we have seen first-hand the positives that an effective and efficient measurement system makes.

Our previous approach involved a triple-tiered system working from programme output, which involved tactical activities, to programme outcome, which examined the effect of that output on the media, to business outcome, which evaluated the effect of PR on the client's business.

Programme output

Measuring outputs has been the traditional method for evaluating PR activity. One of the earliest approaches for doing this involved collating AVE data where performance is directly linked to the amount of column inches the PR programme has secured. By comparing this to the cost of placing a similarly sized advert, it is then possible to pin a theoretical financial value to the success of the PR programme.

It is now widely recognised that AVE is a primitive and largely ineffective form of measurement. This is due to the fact that PR is now seen as being far more than 'free advertising' and also that there is less emphasis on comparing how the PR campaign is doing against, or as the equivalent to, advertising. Instead, there is a desire to measure the output of the PR campaign as a standalone commodity.

To effectively measure the ongoing value of a PR campaign, it is necessary to focus on the output results. This should be done by having a transparent and accountable methodology that allows the campaign deliverables to be constantly tracked against allocated resources.

Programme outcome

At first glance, output measurement appears to be a practical solution to the complex task of PR evaluation. However, this approach has a number of limitations based around a very simple premise – how can we measure the impact PR has, only by evaluating the mechanical activities, such as the number of press releases drafted or media opportunities secured?

The value of a PR campaign is far more complex and must be linked to a programme, which evaluates the impact of the PR campaign against defined objectives. Principally, these are drawn from those business objectives that are relevant to the PR campaign.

As such, programme outcome measurement provides a means of benchmarking and tracking the success of a campaign, against core requirements. It is able to prove how the agency is performing and ensure that the general results from the campaign are in line with corporate expectations.

Business outcome

In searching for a means to define the business value of a PR campaign, Hotwire began by stripping back the purpose of PR to its basics. Despite what some practitioners still believe, PR is not primarily about the generation of press coverage, or indeed any other form of activity outcome such as speaker opportunities, awards, analyst briefings, blog hits and so on. Instead, PR is about influencing a precisely identified target audience.

The purpose of all outputs should be to influence the target audience to be more favourable towards your defined goal. That goal could just as easily be supporting the sale of a product/solution/service as much as it could be about supporting the successful raising of an investment, seeking exit or any of a wide range of business objectives. Therefore, it is obviously not the tool, such as coverage, that matters but the effect it has on the target audience.

By focusing the campaign around the influence that is required, it is then possible to measure the campaign's success in delivering against those goals. At the most basic level, outputs can be analysed to ensure the influencing messages are present. This proves the value of the campaign to the business, as these are the messages that have been identified as influential to the target audiences. At a higher level, it is possible to conduct research that will analyse the above factors and show over a period of time how these have changed and the forces responsible for this movement. By combining this with econometric modelling, it is possible to distil the effectiveness of the campaign and plot the route ahead.

Evolving our approach

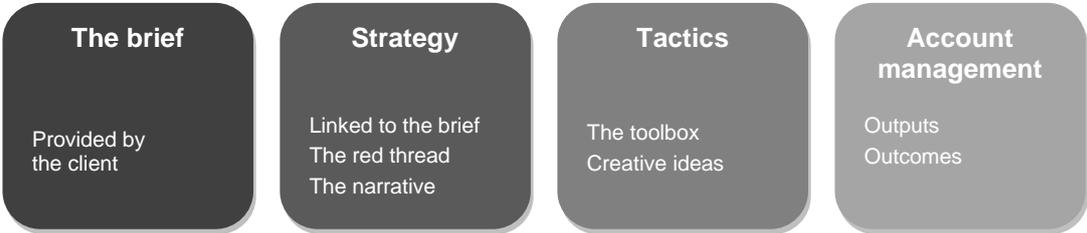
Developing our thinking in terms of the importance of measurement, we have realised that the art of setting meaningful metrics needs to be elevated to being a key driver in developing strategy. In the past, metrics have been talked about as a consequence of the tactics employed in a campaign.

The subtle shift now is to embrace the measurement approach *before* strategy is finalised. Today we take an almost forensic approach to setting measurement based on a complete examination of a client’s business requirements, target audiences, core positioning and ultimate desired messaging.

Only by fundamentally understanding and testing what our clients are looking to achieve can we set appropriate objectives for the resulting campaign. It is here that the metrics by which the campaign will be measured should be set out.

This evolution in thinking is best illustrated by a simple “before and after” chart:

Before



After



Hotwire Measurement Framework

Building on our commitment to continue to be at the forefront of PR innovation, we have adopted the AMEC Valid Metrics Framework as the basis of our new measurement approach. This framework is a matrix that forms the basis of all measurement conversations with our clients and prospects and serves to focus our attention on delivering outcomes that make a tangible business difference. By adopting this framework, we are at the vanguard of measurement thinking in the industry, blazing a trail for all PR professionals that have been faced with the return of investment (ROI) question. Our enthusiasm in embracing this approach is driven by the potential of clearly aligning the work we do directly to specific business outcomes that we identify with the client during the briefing stage of our consulting approach.

Key areas of communications, brand building, demand creation, individual campaigns, issues and crisis management	AWARENESS	KNOWLEDGE	CONSIDERATION	SUPPORT / PREFERENCE	ACTION
PR ACTIVITY					
INFLUENCER EFFECT					
TARGET AUDIENCE EFFECT					Direct link to the goal and specific objectives agreed at the outset of the campaign in question

The AMEC Valid Metrics Framework adopted by Hotwire

It is important to realise that this matrix serve as a framework for identifying possible metrics for individual PR programmes. It is not intended to be a definitive set of rules for measurement and therefore does not include every possible metric. The successful use of the framework is still dependent on the skills and understanding of the account team who must make recommendations based on judgement and experience. It is here that the Hotwire difference will be most keenly felt.



What is it based on?

The key principle behind the Hotwire Measurement Framework is to map desired outcomes against the relevant stages of the marketing/communications cycle from awareness, knowledge, consideration, support/preference and action.

The matrix measures the following processes:

1. PR activity

These metrics reflect the process of actually doing the work and should link directly on a monthly basis to the work done.

2. Influencer effect

PR activity should have a direct effect on the chosen influencers for a client. These are selected so that they have an effect on the end audiences. Metrics at this stage should measure the accurate and effective dissemination of the key messages for the campaign.

3. Target audience effect

The focus on measurement helps demonstrate how PR activity drives business outcomes. This can include building a stronger brand profile or increasing sales. Hence, the target audience effect is a critical component of the performance reporting and analysis approach we advocate.

Metrics relating to target audience effect must link directly to desired audience behaviour that in turn will link into the business and communications goals of the client, which will have been defined and agreed at the outset of the campaign.

An example

The Hotwire Measurement Framework is not a one size fits all solution. Care and attention must be applied when developing the measurement criteria so as to be relevant and achievable for each specific campaign. The following matrix illustrates one such an example.

Reputation and brand awareness activities

Reputation and brand awareness activities	AWARENESS	KNOWLEDGE	CONSIDERATION	SUPPORT / PREFERENCE	ACTION
PR ACTIVITY	<ul style="list-style-type: none"> Content creation Traditional media engagement Social media engagement Influencer engagement 				
INFLUENCER EFFECT	<ul style="list-style-type: none"> Audience reach Impressions / target audience Number of articles Video views Frequency Prominence Share of voice 	<ul style="list-style-type: none"> Key message alignment Accuracy of facts 	<ul style="list-style-type: none"> Key message alignment Frequency of mentions Expressed opinion of consideration Social network followers Retweets / shares / link backs 	<ul style="list-style-type: none"> Media or industry analyst endorsement Industry rankings Social network likes and fans Expressed opinions of preference 	
TARGET AUDIENCE EFFECT	<ul style="list-style-type: none"> Unaided and aided awareness measured by audit or 3rd party survey 	<ul style="list-style-type: none"> Knowledge of company / product attributes and features Brand association and differentiation 	<ul style="list-style-type: none"> Relevance of company (to stakeholder) Visitors to website Click- through to site Time spent on site Downloads from site Calls Event / meeting attendance 	<ul style="list-style-type: none"> Attitude change Uplift in reputation drivers e.g. trust Admiration Endorsement Belief in corporate brand Links to site Enhanced relationships with key stakeholders 	<ul style="list-style-type: none"> Sales Market share Share price Talent retention and attraction Customer loyalty Legislation or regulation passed or blocked



What about AVE?

The PR industry has an image of what measurement looks like, and a lot of the time, that is AVE. The work that AMEC has done and we are introducing looks to supersede the archaic nature of this approach, but it is a gradual process.

AMEC itself has gone public and has stated that AVE is not a measure of PR. This proclamation was widely reported and has since been endorsed by both the PRCA and the IPR in a bid to try and shift legacy beliefs from the client world.

Hotwire does not subscribe to the AVE model and is working with the industry around the world to promote use and understanding of a business outcome model of measurement: the Hotwire Measurement Framework.

And the final word is...

Trust and accountability have always been a cornerstone of Hotwire since day one. It is exciting to see how the industry has evolved in the last decade and, crucially, to be at the forefront of its innovation. Like any evolution, the one of PR measurement is a process and won't happen overnight. We are, as always, committed to getting involved and understanding what the key driving forces behind the need for development are.

According to AMEC, there were two primary challenges facing the industry taskforce as it developed the structure for the guidelines. Firstly, the industry has become used to the beguiling singularity of AVE, even though in reality there is no single perfect metric which measures the entire breadth of PR. This discipline addresses many different publics and has many different forms of impact – from selling a product, to building a company's standing in a community, to mitigating a crisis, to improving employee engagement. Recognition of the many achievements of PR requires more than one metric.

Secondly, to truly demonstrate the value of PR, metrics need to be linked to the business objective of the programme. The guidelines are therefore based on the philosophy that PR measurement has to move beyond measuring outputs to begin measuring outcomes. As a result, the AMEC taskforce came to the conclusion that PR measurement needs to be shown as a continuum of metrics – starting with outputs, but including outcomes and ultimately business results – with the desired business results corresponding to the campaign objective.

For these reasons, we are launching the Hotwire Measurement Framework and beginning to implement it with the clients and campaigns we work with. We believe that following the best practice from groups such as AMEC, and incorporating those into our strategy, will lead to better work with and for our clients.

About Hotwire

[Hotwire](#) is a global PR and communications agency dedicated to helping forward-looking organisations to manage reputations in a rapidly evolving influencer landscape. We are structured around specialist industry practice areas that deliver integrated campaigns across consumer, digital, corporate, government relations and business to business communications. In addition to Hotwire, our group includes sister agencies 33 Digital and CPR. Together we work with brands on national and global campaigns through our wholly owned offices in the UK, US, France, Germany, Spain, Italy, Australia, New Zealand and those of our global affiliate network.

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