

## Revised Report of AVE Task Force

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**Task:** To develop a statement that defines and articulates the motion passed by the Measurement Commission in October, 2009—to reject the name, concept, and practice of AVE—and provides alternatives and best practices for measuring quality media coverage.

This initial report is the product of a few email exchanges, sharing of notes from the January AMEC meeting, and a telephone conference.

### **1. Motion passed at October 2009 Measurement Commission Meeting:**

The IPR Commission on Public Relations Measurement & Evaluation rejects the name, concept and practice of Advertising Value Equivalency (AVE).

### **2. Definition of AVE**

The calculation of space or time used for earned media (publicity or news content) by comparing it to the cost of that same space or time if purchased for advertising. AVE is used because it assigns a dollar value to public relations using a metric that is simple to understand, simple to calculate, and uses data that is readily available.

### **3. Define the reasons why the measurement commission rejects the practice of AVEs.**

*Rejects the name:* The name, Advertising Value Equivalency, suggests that the space and time occupied by earned media is equivalent to the same space and time purchased for advertising. There is no evidence to support this assumption. Additionally, this term subjugates the value of PR messages simply to the space occupied by advertising. We are comparing our value to that of another practice rather than defining our own worth. At the same time, advertising does not evaluate its success based on how much it spent on media placement. Indeed, an effective media buying plan is evaluated on reaching the largest target audience with the lowest cost, or lowering the cost per thousand (CPM).

*Rejects the concept:* There is no evidence to suggest that 6 inches of advertising space is equal to 6 inches of editorial space. This is an apples to oranges comparison since advertising is paid space that gives control to the source for content, placement and frequency, whereas with publicity, or earned media, the source gives up control of content, placement and frequency to the medium. Advertising content, by its nature, is almost always positive. Earned media content can be positive,

neutral, or negative. These are not equivalent concepts and should not be treated as such.

*Rejects the practice:* Just because this is an inexpensive and frequently used practice, it does not make it an appropriate one. The reporting of AVEs does not provide a valid or reliable measure the quality and impact of public relations efforts. Worst still, it is frequently used as the outcome of public relations efforts. AVEs are not a proxy for real return on investment (ROI). This practice keeps the public relations profession from measuring its true ROI and its impact on meeting bottom line goals and objectives.

#### **4. Alternatives and best practices for measuring “quality media coverage.”**

First and foremost, the commission encourages measurement and evaluation practices that demonstrate the effectiveness of public relations efforts to help meet organizational goals. These outcome-based measures—such as awareness, understanding, attitudes and behaviors—are what we should ultimately be measuring. Some of these outcomes might be sales oriented, but they need not be. Improving relationships, trust, satisfaction, loyalty, and social responsibility are also viable public relations outcomes that can be measured.

However, to demonstrate the contribution of public relations efforts to reaching these goals, it is often necessary to measure the process. Whenever possible, it is best to isolate the public relations variable, and control the other variables, in order to measure its impact. Communicating messages to key audiences is part of the process used to reach public relations objectives. Therefore, measuring the quality of PR output is necessary in order to demonstrate its contribution to reaching these goals.

AVE is not a reliable or valid measure for measuring the effectiveness of communication messages because this metric doesn’t measure quality of messages nor their contributions to reaching organizational goals.

Any measure of advertising should be labeled as a “cost” rather than a “value” and should be used only to compare the value of media. This restricts the use of calculating advertising costs to comparing the quality of media (reach and credibility) instead of making comparisons between news and advertising.

Any measure of media coverage should also include quality variables such as tone, prominence, placement, appearance of key messages, and portion of story that applies to the organization or its key messages. It is also better to compare data to previous performance, expected outcomes, or competitors. Without these comparative contexts, the numbers are not as meaningful.

Whenever possible, it is best to link output with outcomes. These outcomes should also be tied to organizational goals. This often requires a mixed model that includes quality variables as well as media costs.

## 5. Concerns and issues

AVE is popular because it is easy to understand, simple to practice, relatively inexpensive to calculate, and is prevalent throughout the industry. Alternatives are not as accessible or as familiar and have some diffusion challenges.

Alternatives promoted by the Commission should be “public domain” and should be transparent enough in how they are calculated that other parties can replicate the practice.

We need to make sure we are not recommending a “replacement for AVE” but alternatives that represent better practices.

These best practices for measuring quality of output are not intended to replace the priority of measuring outcomes. Also, it is not to suggest that the primary purpose of public relations is to generate media coverage. Employee relations, crisis communication, shareholder relations may not need to evaluate media coverage. These recommended practices are intended to improve the way that media coverage is measured and evaluated when it is an essential part of the process.