Projecting the Value of a Marketing PR Campaign

By

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A few days ago a colleague asked how to determine how much more effective a marketing communications program would be, if it included a celebrity spokesperson. This question translates into: How many more dollars in sales would the program generate if it had the celebrity than if it did not?

My response was there is no way to determine this in advance, but she could make projections. The way to do this would be to project the effectiveness of the program without the celebrity and then to add the celebrity as a variable.

Developing the base projection

We make a set of assumptions whenever we do a communications program. The first assumption is: We will communicate to a target audience. The last assumption is: Members of the target audience will do something we want them to do. In this case that would be buy a service or product. However, there are a number of assumptions we make in between the first and last. For the purpose of this example, let's assume we are proposing a print media marketing PR campaign.

Our assumptions

A more complete list of our assumptions is:

1. If we contact (e-mail, snail mail, telephone) the media with our story (news release, case history, press kit, etc.), some subset of the contacted media will run the story and the story will carry some of the messages we've included in our media materials.

2. If some subset of the media runs the story, some subset of our target audience will see, read and comprehend the story.

3. If this happens, some subset of those that saw and read will either be introduced to the product for the first time (become aware) or become more favorably disposed (develop a positive attitude) toward our product.

4. And, if this happens some subset of those will actually purchase.

Actually more assumptions are involved here, such as those regarding the number of members of the target audience at the purchase stage rather than in the information collecting stage, but to keep things simple, we'll ignore those.

Playing the numbers

Going back to our set of assumptions, you can see that we're looking at a numbers game. Our end sales will depend on the number of people who get past the series of gates implied by our assumptions.

1. How many media outlets will carry the story, and, more important, how many members of our target audience do those media reach? (Again, for simplicity, let's ignore frequency.)

2. Of those reached, how many will see, read and comprehend the story?

3. Of those who read and comprehend, how many will become (more) aware and/or (more) positively inclined toward the product?

4. And, finally, of these, how many will buy?

Adding the variable

Assuming we have some idea of each of these numbers, our question now is: How much would each number change if you used the celebrity?

How much more likely would the media be to run the story, if it had the celebrity? How much more likely would the target audience be to read the story? And so forth.

But wait a minute, I don't have those numbers!

Right now, you may well be saying to yourself, this is useless. I don't have those numbers, and I don't know where to get them. So I could never go through this exercise.

You probably can get some of the numbers, and you don't really need all of them. You just need to be able to make an educated guess.

Media numbers

If the media you pitch sell advertising, they will have rate cards that list the number of members of different target audiences they reach. However, you may need to work with the data a bit.

For example, your target might be defined as homeowners, and while do-it-yourself publications might list the number of homeowners they reach, other publications may not. But these other publications may list age groups and household income levels, and you could look at other data bases to identify what age and income levels tend to describe homeowners. Combining these numbers, you probably could wiggle your way into an estimate for homeowners based on those demographics.

Add up these homeowner numbers for the publications you think you can successfully pitch, and you'll have an overstated number for the homeowners you could potentially reach. The number will be overstated because some people in your target will read more than one of the publications. So these people will be counted more than once. Advertising media planners have ways to get around this. If you have a business relationship with an advertising agency, their media planners can help you with all of this. If you do not have such a relationship, you can hire a freelance media planner.

Target audience conversion numbers

Now we've got the media numbers. What about the numbers covering target audience conversion to purchasers?

Unless you've done programs similar to the one you are proposing, you will probably have no idea what numbers should be plugged into those questions. But unless you take a stab at it, you never will. So estimate. You could talk with sales people in your client organization and ask them what they believe the conversion rates might be.

Once you have the estimates in place, you have a model. (You can lay out the equation in Excel.)

Media Reach X %Readership-Comprehension X %Change in Awareness-Attitude X %Actual Purchasers X Dollar Value of Purchase = Value of Program

One of the beauties of this kind of model is you can change the estimates. So if you present the estimate and management disagrees, show them the model and ask them what assumptions they would be comfortable with. If you've laid the equation out correctly, you can change the assumption they differ with, and the new value will appear under "Value of Program."

The celebrity factor

So we have the base numbers. The next question is: How much do the base numbers go up (or down) if you use the celebrity?

The first link in your chain is the media. So you might call some of your contacts, whom you think might run the story, and ask them how much more (or less) likely they would be to run it, if it included the celebrity. At this point, you'll need to have real celebrities in mind, because your contact's response likely will depend on the specific celebrity.

You might follow this with a survey of members of your target audience asking them how much more (or less) likely they would be to read an article, be positively disposed toward or even buy the product, if it were endorsed by the celebrity.

With the answers to these questions, you could then revise your base model numbers upward or downward. And the difference between the base projection and the projection with the celebrity would be the projected value of using the celebrity.

I would be very reluctant to simply guess on the celebrity numbers. Even if you could only talk to some of your media contacts and on average they said their likelihood of running the story would increase by 10%, that, alone, would increase your end sales projection by 10%. And when you go to management with numbers you've developed with some research of this kind, they will be unlikely to challenge you, because you have an information base for your numbers. And unless they have experience with celebrity programs themselves, they do not.

If you'd like to make some projections like these, and would like help setting them up, give me a call.

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I work with organizations that are going through a change in strategic direction (merger, acquisition, building program, new product launch, change program) and that are concerned about what will happen with their relationships with key stakeholders (customers, employees, investors) if they send out the wrong, or confusing, messages. After working with me they have a clear understanding of what their messages should be. I also provide them recommendations on other actions they can take to enhance their relationships with their stakeholders.

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