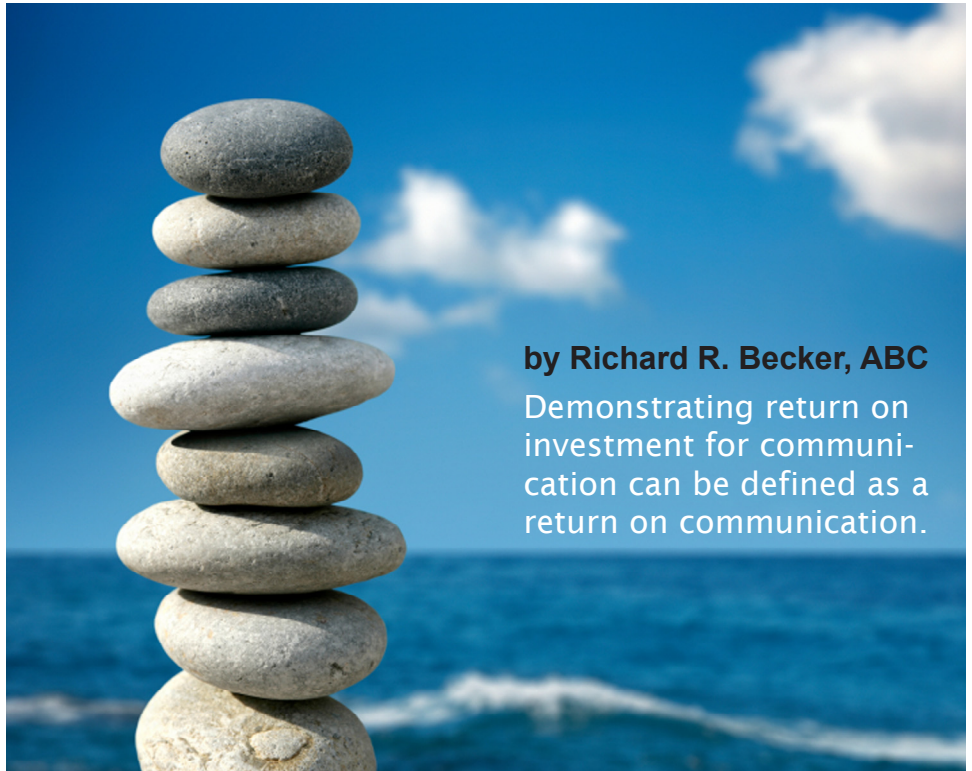


# measure

IIO = ROC



by **Richard R. Becker, ABC**

Demonstrating return on investment for communication can be defined as a return on communication.

Measuring the value of business communication begins by understanding that the return is related to the intent of the communication and the outcome it produces.

Communication development begins with defining intent: company objectives and the purpose for communication.

## Defining Objectives

**S + T = I**

Most companies have a mission statement. And while not all mission statements succeed, they remain a critical consideration for shaping communication, assuming the statement defines what the company does, what its objectives are, how those objectives differentiate the company in the marketplace, and how it considers varied publics.

Since most statements change much slower than the needs of communication, other strategic planning methods are used to develop complementing objectives that

can be employed for immediate or short-term communication.

These methods include SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats); core message systems, which also evaluate the company's current and future position in the market; and crisis communication planning that defines key messages related to specific events.

Regardless of which methods are used, they provide the foundation for communication strategy.

## Defining Purpose

**S + T = I**

Business communication, whether it is a singular piece or a comprehensive campaign, has purpose. The purpose of the communication is the tactic or tactics that will further the objectives of the company,

execute its communication strategy, and enhance brand equity in the short term. As such, these tactics aim to change behavior or sway opinion: purchase a product, attend an event, call for information, visit a store, or otherwise influence the impressions about the company and/or the services and products it provides.

The purpose of communication and the communication strategy answer “why” there is a need to communicate at all, as well as “how” something is communicated. Without purpose, it is only buzz.

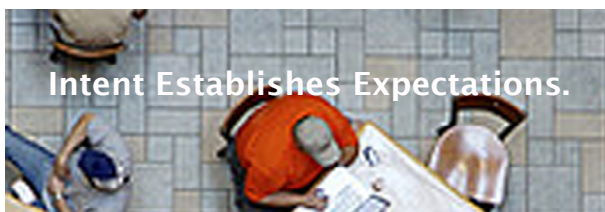
The objectives (**strategies**) and purpose of specific communication (**tactics**), define the **intent** of business communication in advertising, marketing, public relations, real-time communication, and social media. It also represents a key component of an equation that measures the return of communication.

**The intent is dependent upon the effectiveness of the message, suitability of delivery, and ability to reach intended publics.**

## Intent Realization

$$I (m+s \cdot r)$$

Once the intent of communication is understood, its ability to be effective is dependent on three critical considerations: the effectiveness of the value proposition (**message**), the suitability of delivery (**suitability**), and the ability to reach the intended public (**reach**).



## Developing Messages

$$I (m+s \cdot r)$$

While messages can be delivered across various mediums and adopt different styles to convey a tone that differentiates the communication, the strongest messages present the intended publics with a value proposition, unique selling point, or demonstrated contrast.

These terms all aim to summarize why the intended public should buy a product, use a service, or accept an opinion.

## Considering Suitability

$$I (m+s \cdot r)$$

The suitability of delivery includes any number of variables that can be summarized as the quality of the presentation as it pertains to the chosen medium or media, the intended public, and/or the messenger.

For example, in advertising, creativity, design, and production quality can increase the perceived value of the communication, assuming it is suitable for the intended public and purpose. In public relations, the merit of the message, who delivers that message, and the outlet for that message, can all add value to the communication. In social media, authority and authenticity add value to the message.

**However, all these values are dependent upon whether the presentation is appropriate for the intent of the communication and its intended publics.**

Overproduced, forced, or inappropriate communication that neglects suitability can produce a negative reaction with intended publics. Expensive collateral for nonprofit organizations, slick annual reports that lack substance, and snarky ad-



**Communication is influenced by two additional considerations: sustainability and brand equity.**

vertising that offends more than it endears often produce negative reactions with the publics they hope to reach.

### Reconsidering Reach

$$I (m+s \cdot r)$$

In most fields, reach is often defined as the total number of impressions or, in other words, how many people are exposed to a message. However, in considering the effectiveness of communication, it is more responsible to narrow the definition of reach to only include the intended public.

**While exposing as many people as possible to a specific message may yield results, the overevaluation of reach can distract companies from their primary objectives or even drive existing customers and prospects away.**

For example, a predominately local attraction that relies on visitation from a proximity-based public would not benefit from every impression earned from mention in an out-of-market publication, regardless of circulation (with the possible exception of reaching a very specific niche public predisposed to visiting that location).

However, in measuring the effectiveness of communication, the measure of reach is more useful when it is limited to frequency that can be delivered to intended publics as opposed to the general public.

### Sustainability

$$I (m+s \cdot r)/d$$

Communication is seldom, if ever, permanent. The effectiveness of any message tends to dilute exponentially over time.

Unless sustained with frequency, messages that benefit from velocity, such as a viral campaign, tend to have a shorter duration than timeless campaigns that reinforce the intent of the communication.

Still, even the strongest campaigns tend to dilute over time. As effectiveness becomes diminished by familiarity and familiarity eventually produces boredom, the communication presentation, but not necessarily the brand or intent, needs to be refreshed from time to time.

### Brand Equity

$$B \cdot I (m+s \cdot r)$$

Although brand equity generally refers to the marketing effects or outcomes that accrue to a product with its brand name, compared with those that would accrue if the same product did not have the brand name, the value of the measure tends to be elusive.

**“Brand is the relationship between a product and its customer.” — Phil Dusenberry, former chairman of BBDO Worldwide**

For purposes of measurement, Dusenberry’s proposition provides a better definition

in that it allows for “brand” to be easily defined as the net sum of all positive and negative impressions.

Brand influences communication effectiveness in that strong brands benefit from the perception that the intent of the communication is more important than that of companies without brand equity.

**The cost of communication can be represented by three considerations: budget, time to produce, and asset management.**

## Calculating Budget

$$C = b + t + e$$

The budget for a communication campaign is the total cost of the project, including printing, production, and distribution.

While often overlooked, cost needs to include internal staff time, benefits, etc. even if the majority of the work is executed by an external source.

## Time To Produce

$$C = b + t + e$$

Beyond internal staff time, production time accounts for a less tangible but equally important consideration. The longer it takes to reach the intended audience with an effective message can diminish the effectiveness of communication or even adversely affect the company during a crisis.

**There is a cost for every day that a company does not reach its intended audience with an effective and suitable message, reinforcing the importance of prioritizing communication tactics over the long term.**

## Allocating Experience

$$C = b + t + e$$

Another less tangible cost consideration is related to human asset management.

Almost every communication team consists of people with varied degrees of experience. To minimize internal costs, it becomes important to maximize productivity by assigning the right tasks to the right team members.

For example, having the most experienced team member write a basic event release reduces the overall productivity of the team any time that there is a less experienced but qualified team member capable of performing that task. In other words, experience invested on simple tasks takes value that could be invested elsewhere.

Conversely, having less experienced team members assume the responsibility (without authority) of working with external sources can reduce productivity and, in extreme cases, incur tangible costs.

**Maximizing the return on communication balances the effectiveness of the communication and the cost required to do it.**

## Defining Outcomes

In finance and business, return on investment (ROI) is the ratio of money gained or lost (realized or unrealized) on an investment relative to the amount of money invested.

While communication sometimes employs the term, measuring ROI for communication, using that definition, often produces misleading results, skewing the return toward tactics such as direct response.

Communication can deliver a tangible ROI in terms of direct sales, but a significant portion of communication is less tangible, delivering indirect sales.

Indirect sales can be measured by considering the intent of business communication and the outcomes it produces that indirectly benefit sales.

For example, companies with strong brands typically outperform those with weak brands. However, since the investment to establish a strong brand is situational, knowing how much to invest in branding introduces too many variables.

**For communication, the better measure is a return based on the outcomes produced.**

If the intent of the communication is to change the behavior or the opinion of an intended public, then direct changes to that behavior or opinion is the return. In some cases, these outcomes may deliver direct sales (such as coupon redemption, product purchase, etc.); indirect sales (store visit, brand equity, etc.); or any combination of the two.

The end result is a measurement that accurately tracks the communication responsible for direct sales and/or indirect outcomes. As stated, the **intent** of the communication as compared to the **outcome** it produces is the return.

## Measuring ROC

$$I | O = ROC$$

One of the most pressing challenges communication faces today is defining intent and outcomes, especially as real-time communication continues to influence how companies communicate and interact with intended publics.

There is considerable pressure on companies to define the intent of communication to serve tactics as opposed to objectives. This occurs by overemphasizing the value of measures that represent only one portion of the equation, such as: column inches in public relations, total views in advertising, total hits on the Internet, or reacting to real-time communication.

An overemphasis on these measures place companies in a position where they cannot effectively manage their communication and, in some cases, encourage other outside influences to supersede company-public relationships, which damages brand equity and diminishes message value.

**“If you don’t manage the message, the message will manage you.”**

In conclusion, real measurement asks what the story communicates rather than column inches, what the ad accomplishes, whether hits produce an outcome, and if social media establishes engagement.

$$[(B \bullet I) (m+s \bullet r)/d] / [O/(b + t + e)] = ROC$$



Richard Becker is an accredited business communicator and the president of Copywrite, Ink., a strategic communication and writing services firm with experience on more than 1,000 accounts. The I | O = ROC abstract will be further explored with a series of weekly posts labeled ROC.

[www.copywriteink.blogspot.com](http://www.copywriteink.blogspot.com)