

Public Relations – Beyond ROI



By Mark Weiner, CEO of [PRIME Research-Americas](#)

Since the dawn of [public relations](#), PR people have sought to compute the link between PR and return-on-investment, primarily in the form of a PR-to-sales connection. Now, through new technologies and an advanced form of statistical analysis known as marketing mix modeling, companies in industries ranging from consumer packaged goods to financial services have quantified what we have always believed in our hearts to be true: [PR](#) works. Even better, PR consistently outperforms other forms of marketing and at a fraction of the cost.

Unfortunately, after all the effort, sales can be a very fickle marketing measure in a time of [commoditization](#), [globalization](#) and a growing distrust of big business. So it seems that just as we've overcome marketing's greatest hurdle, we must contend with another: to go beyond mere sales to create growing, lasting and profitable relationships with our customers.

The PR-to-Sales Connection

Professional communicators have been using PR to deliver value for decades. What's new is that a handful of leading professionals are scientifically proving how to generate a positive ROI from their PR activities by linking them with sales revenue. This represents a significant change: rather

than relying on a subjective perception of what represents "value," ROI objectively measures the economic benefits of a public relations activity against its associated costs and relative to other forms of marketing.

For example, a beverage brand recently measured the impact of PR versus other forms of marketing and its findings are typical: The data showed that \$1.00 spent on TV advertising delivered \$1.10 in sales. Trade advertising delivered a return of roughly \$2.20 for every dollar spent, and PR delivered an outsized \$8.00 for every \$1.00 invested, the best of any marketing agent tested. Four percent of all incremental sales were attributed to PR. This may not sound like much, but it represents tens of millions of dollars. PR is also the only form of marketing to lift all boats: when news coverage was positive and prominent, every form of marketing was more efficient and more effective.

What's wrong with sales?

Sales can be a capricious measure. And if you have been trained to shop as I have, you'll recognize this behavior in yourself: cereal is on sale this week on a three-for-one promotion so you buy six boxes, enough to last until the next sale. But by the time you need more, another brand is on sale: it's crunchy, it's sweet and your kids will eat it...you buy six boxes of *that* brand.



It's easy to see how price promotions or "FSCIs" can create a significant sales spike and that's why so many major brands have become addicted to the practice. But the dirty little secret is that FSCIs actually LOSE \$.25 on the dollar and the sales spikes they create are very short-lived: Price promotions cease to impact sales 24 hours after the offer ends; mass market advertising undergoes a dramatic decline just two weeks following the end of the campaign. PR enjoys an extraordinarily slow decline but even a six-month decay rate is relatively short-term in the life of a brand. The problem with driving sales for the sake of sales volume is that while brands may be reliable, people are not: They compare; they "price-shop;" they are disloyal unless given reasons to act differently.

Beyond ROI: Return on Marketing Objectives

Incremental revenues, while alluring, are only one of several critical measures and each of them must contribute to profitability and lasting brand equity. The link between PR and sales has been quantified and having achieved that objective, it's time now to go beyond ROI. The good news is that no agent is better suited for marketing's next golden age than public relations.

At **PRIME**, we know that PR is indispensable for building reputation and we know how brands with good reputations enjoy many benefits over brands that are lacking: high-reputation brands enjoy premium pricing and are rarely discounted; they benefit from greater loyalty because the brand actually means something to which people can relate; they enjoy the benefit of doubt during difficult times because they have earned the public trust. These brand characteristics, when preciously managed, are enduring: they differentiate, they engage and they build prosperity.

Public relations works particularly well because it achieves a combination of involvement, credibility and compelling storytelling that other marketers envy. And as brands look to invest their marketing dollars on the basis of “what works” rather than “how we’ve always done it,” PR is primed for explosive growth.

The fact that PR delivers the best return-on-the dollar certainly doesn’t hurt but other forms of marketing can drive short-term sales, too. That’s why PR, which is predicated on building meaningful, lasting relationships at the same time it delivers the best ROI, is uniquely positioned to drive the meaningful interaction that builds the world’s most successful brands.

Get ready: it’s time again to go one step beyond.

To read more learn more about corporate communications research and evaluation, visit the PRIME blog at <https://www.prime-research.com/-index.php/blog>

JOIN US TODAY...

The Inevitability of Data-Driven Communications Integration

Lessons from the C-Suite



Linda Rutherford
VP, Chief Communications Officer
Southwest®



Mark Weiner
Chief Executive Officer
PRIME Research Americas



Tina McCorkindale, Ph.D., APR
President and CEO
Institute for Public Relations

FREE WEBINAR

Wednesday, March 30

2 pm ET / 1 pm CT

Presented By



PRIME  **RESEARCH**

Register Now

About the Author: Mark Weiner is CEO of PRIME Research Americas. PRIME is among the world's largest PR research firm with 500 analysts and consultants employed in ten service centers around the globe. Mark is the author of ["Unleashing the Power of PR"](#) published by John Wiley & Sons. To learn more about PRIME, visit www.prime-research.com for additional information.