Understanding PR's Love/Hate Relationship with Advertising Value Equivalency

By Mark Weiner, CEO, PRIME Research – North America

One of the most polarizing topics in public relations generally and among the "measurati" in particular is that of advertising value equivalency or "AVE." And yet, notwithstanding the controversy and despite the efforts promoting professional standards to the contrary, AVEs are among the most common form of measurement in PR. Why are they so popular among the masses and why do PR experts hate them? Essentially, advertising equivalency is an easy, accessible way to attribute a dollar value to media coverage by calculating print column inches and TV/Radio time factored by the cost of that space and time on an "if purchased basis." But does it really represent "value?" And if it does, is it the best way to demonstrate PR's unique contribution to the enterprise? In this feature, we explore the history of AVEs; detail reasons against their use; and shed light on the current state of the AVE measure to provide a balanced view along with a moderate's advice on a better way forward.

Origins

In his seminal paper "Advertising Value Equivalence—PR's Orphan Metric," Tom Watson, PhD, describes how in the first half of the twentieth century, publicity was closely aligned with advertising and the two were treated in combination. According to Watson, authors Plackard and Blackmon introduced the concept of AVE in their book, "Blueprint for Public Relations" published in 1947. By the 1960s, media analysis providers offered AVEs as part of their overall analysis to some of the world's most admired companies for whom it was standard practice.

Off the Rails

After years of debate in PR research circles, the International Association for Measurement and Evaluation of Communication (AMEC), a trade association devoted to elevating the status of measurement and evaluation in communications, "outlawed" ad values in its pivotal 2010 publication of the Barcelona Principles to which many of the world's professional communications organizations committed their support. But by "outlawing" AVEs (the word "outlaw" actually appears in the AMEC publication), it created a gap between "best practice" and "common practice" which immediately charged a majority of the profession with malpractice.

The Current State

Unfortunately, while PR research organizations, trade groups, PR societies and academics embrace the Barcelona Principles conceptually, the profession has not developed a similarly popular replacement for AVEs. As a result, even those who would like to adhere to the new standard feel unable to do so. In some cases, PRs assume that not measuring PR at all is preferable to ignoring standards. For many, the result is stasis: executives continue to request them and PR people continue to provide them. Ad values continue to appear in PR trade case studies, they continue to appear among “tips and tactics” in PR blogs and, perhaps in the most illustrative example, PR awards competitions which represent “the best of the best” reward entries which use them.

But the notion that there’s no easy accessible alternative is based on a number of myths:

First, the common belief that all PR is media-focused. Many forms of PR contradict this, especially when one considers the brand that chooses to avoid media coverage, the internal communications professional, and the social media expert whose media channels do not accept advertising.

Second, the belief that executives who evaluate media relations programs even prefer ad values is contradicted by survey results conducted by PRIME Research which seek to uncover “the secret value equation” executives use to evaluate public relations. After interviewing thousands of senior executives at for-profit and not-for-profit organizations around the world and when given explicit choices, the preferred indicator of media relations success is “delivering key messages in target media” and “raising awareness.” The least popular are volume of coverage and ad values along with PR’s ability to drive sales. Their responses reflect three elements in proving value: the indicators must be measurable, meaningful and reasonable. PR’s impact on sales is not considered to be reasonable and volume/ad values is not considered to be meaningful. So if executives prefer other measures, why use ad values at all?

Third, the conventional wisdom that ad values are the only way to attach a dollar value to media coverage is a false premise. One easy and accessible alternative is to measure ***efficiency*** by dividing out-of-pocket costs by the total reach of coverage. In this case, the lower the cost-per-thousand reached is the goal since it demonstrates the degree to which

PR can deliver more with less and for less.

Fourth, the myth that PR and advertising are comparable, especially in today's media environment. Many sources including social and digital channels do not accept advertising. What's more, even advertising-driven media don't charge the rate-card rate which is heavily negotiated. Savvy marketing executives who sometimes oversee PR programs know that ad values are inflated because they seek to show the highest possible rate when, in fact, advertising buyers seek the lowest possible rate. And in many cases which apply advanced statistical analysis, PR is much more efficient in driving sales than advertising, so why would we devalue PR's unique contribution?

The Moderate View

If the person to whom you report, who administers your budget and who evaluates PR performance insists on ad values, you'd be foolish not to provide them. However, it's the responsibility of every public relations person to do what we can to elevate our profession. Better to augment AVEs with measures your manager, your peers and you yourself consider to be more meaningful.

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