

THE DEFINITIVE GUIDE: WHY AVES ARE INVALID

AMEC has launched a major global education initiative to help eradicate the declining demand for the much-derided AVE (Advertising Value Equivalent) metric. AVEs have long been the subject of intense criticism but because they claim to put a financial value equivalency on PR and Comms work, and are easy to produce, there is still a lingering demand from some quarters of the communications profession.

AVEs will only disappear completely when all parts of the industry work together and speak with a consistent voice. Educators, academics, in-house practitioners, PR agencies, communications trade associations and the monitoring and analytics vendors all need to work together with unified messaging to make sure that this latent demand dwindles and dies.

As part of AMEC's 'Say No to AVES' campaign, we present here the definitive list of 22 reasons why they shouldn't be used.

- If you're a PR practitioner who agrees, please share and link to this page to help us spread the message.
- If you're a communications professional who is being asked by your line manager or your finance director for an AVE, we hope that the information on this page will help you to explain why it is not a good idea.
- If you're a student learning about PR and communication evaluation, please share this page with your course director and fellow students.
- If you work at a PR agency and are under pressure from your client to provide an AVE, we hope this page will help you explain to the client why it makes no sense.
- If you represent a communications trade association, please get behind AMEC's Say No to AVEs campaign and link, share and help promote our page.
- If you're a monitoring and evaluation vendor, please share this page widely with any clients who might still be asking you to produce an AVE.

By working together, we can help professionalise the industry and the ways in which it is measured and evaluated for the better.

22 REASONS TO SAY NO TO AVES:

1. The worldwide PR industry denounces AVEs as flawed

Global communication trade associations <u>AMEC</u>, <u>IPR</u> (Institute for Public Relations), <u>PRSA</u> (Public Relations Society of America), <u>PRCA</u> (Public Relations and Communications Association), the <u>Global Alliance</u> and <u>ICCO</u> (International Communications Consultancy Organisation) all agree that AVEs are not a valid metric.

Here are some quotes on the subject:

"Most reputable researchers view such arbitrary 'weighting' schemes aimed at enhancing the alleged value of editorial coverage as unethical, dishonest and not at all supported by the research literature." - The **IPR**.

"Anyone attempting to use them (AVEs) today is fooling themselves, fooling their clients, and failing the profession. AVEs have no place in modern, professional, PR practice." – CIPR.

"AVEs measure absolutely nothing other than the vanity of those reporting them." - PRCA.

"By working with partners around the world AMEC is committed to a long-term campaign to eradicate this meaningless metric and educate professionals on better and available alternatives." – AMEC.

2. The Barcelona Principles

The global communications measurement industry came together in Barcelona in 2010 to establish seven broad principles to achieve best-practice for meaningful measurement and evaluation programmes. The <u>Barcelona Principles</u> have achieved worldwide recognition within the PR and communications profession with perhaps the most famous principle being Number 5 which states plainly and simply:

"AVEs are not the value of communication"

3. Advertising and PR are different things

And should therefore be treated as such. Advertising is an "interruptive" marketing discipline. PR is an "engaging" one. Audiences seek out editorial. Advertising on the other hand must interrupt us and grab our attention. Editorial has more credibility than advertising, coming as it does from a third-party viewpoint. Advertising messaging can be specific and controlled, editorial cannot. Advertising and PR may often complement each other, but they work in different ways, are designed for different reasons and should be measured in distinct ways.

4. You can't advertise everywhere

Advertising is simply not available in all the places that it's possible to secure earned media coverage. For example, the BBC accepts no advertising in the U.K. - either broadcast or online. Many blogs don't carry advertising either. Should a piece of coverage be secured in media that does not carry advertising, how on earth can a meaningful 'advertising value' be attributed against it?

5 Don't confuse 'cost' with 'value'

Advertising *Value* Equivalents are misnamed and confuse 'cost' with 'value'. Part of the appeal of AVEs is that they are mistakenly used as a metric to show the *value* of a PR campaign. We all know however that cost and value are very different things. Cost and value often bear no relation to each other. Have you ever placed an advert somewhere which *cost* money but received no response? Where was the *value* in that?

6. AVEs don't consider other important advertising criteria that affect its price

Adverts carry a premium price for being in premium locations. These might include right hands pages, inside covers, front pages, back pages etc. What about the difference between black and white? How many AVE systems identify these criteria and value them accordingly? And even if they do, at what price (see below)?

7. What price anyway?

Very few adverts are bought at rate card prices. Think of the last advert you bought. Did you pay full rate card price? Media buying agencies certainly do not. Discounts and agency commissions are factored in at different rates for different agencies and clients. In the same way that when you take a flight it's highly unlikely that you paid the same price for your seat as your neighbour, it's very unlikely that two similar ads in the same media cost the same. Yet despite this, AVEs tend to be calculated based upon published rate card prices, instantly over inflating the figures.

8. How much of each piece of content should be included to measure the AVE?

When attributing an AVE, how much of an article, post or broadcast clip should be included? Just the specific part with a brand name mention? The paragraph around it? The whole page? Or the whole article or programme? These challenges exist with broadcast as much as they do with the written word. An already spurious and subjective number gets ever more subjective when 'size' is considered.

9. AVEs take no account of the quality of the coverage

In the same manner that AVEs don't relate to the size of the piece, they don't take account of the quality of the coverage either. AVEs are purely a quantitative metric. They provide no insight into the quality of content, the messages, inferences and issues that matter. AVEs simply ignore this, all coverage is counted equally, whatever the calibre of its content.

10. Adverts are always positive. Earned media coverage may not be

Ads can't be negative. Earned media can. How is this accounted for in AVEs? Some systems apply a negative value to the AVE, some do not. Both approaches are flawed. Reputation takes years to build but can be destroyed overnight through one event. Negative coverage can have rapid and disastrous consequences for a brand, way out of proportion to the effect that positive coverage generates.

11. AVEs take no account of target audiences

AVEs take no account of target audiences. Instead they purely reward mass media outlets as these are the ones that will have the higher advertising rates. If you are trying to reach a niche target audience through low readership publications, your AVE is going to be very small, even if you have run a highly successful campaign. As a result...

12. Measuring AVE drives the wrong activity

We all know that 'you become what you measure'. According to the <u>Harvard Business Review</u>: "Human beings adjust behaviour based on the metrics they're held against. Anything you measure will impel a person to optimize his score on that metric. What you measure is what you'll get. Period."

When measuring communication with AVEs, literally every piece of content counts, no matter how inappropriately placed or irrelevant the media in which it appears. Use of AVE as a metric encourages behaviours that won't benefit your organization, such as the "carpet-bombing" or "spray and pray" of press releases in the hope that large volumes of coverage will result, irrespective of where. It makes it tempting to use a scatter-gun approach to PR rather than a targeted, well-planned and efficient strategy.

13. AVEs are a vanity metric

Most communication campaigns will in all likelihood generate a high AVE, certainly a 'financial' number that is in excess of the cost/budget of the campaign itself. This large number however is nothing more than a vanity metric which sounds good but is in itself meaningless.

14. Advertising is not measured in 'PR value equivalents'

So, why should PR and communications professionals demean themselves by measuring in 'advertising value equivalents?'

15. Multipliers and 'PR Values'

Some claim that a multiplier should be applied to AVEs to "weigh them up" further than a straight advertising value. This is done allegedly to factor in the additional impact of third-party endorsement provided by the journalist or influencer. However, there is no credible, peer-reviewed research that proves that any multiplier (or divider for that matter) should be used, or even whether one is relevant and appropriate at all. Where multipliers have been used, different organisations have used different multipliers, thus further confusing the market. A 'weighted' AVE claiming to represent "PR value" is nonsense.

16. There is no agreed methodology to measure AVE

AVEs are not measured in a standard way. Each provider will have their own methodology and are likely to be using different advertising rates too. As well as not being meaningful, the metric is simply not transferable between suppliers either.

17. Good measurement and evaluation should inform the planning process

AVEs provide no meaningful information that can be used to refine a communication plan. They are literally a 'backward-looking' number to be used in a vain attempt at justifying performance. Best practice evaluation should always produce insights and intelligence that can inform strategy. AVEs have no strategic value at all.

18. AVEs don't work in digital and social media

Advertising works in a different way online from how it does in the printed press. It is based on paidfor exposures rather than guaranteed runs in publications. Accordingly, attributing any kind of meaningful AVE to an online piece of mainstream content is impossible. Additionally, it's not possible to assign a value to individual tweets, blog content, Facebook and LinkedIn updates etc. AVEs are even more flawed on social media than they are in mainstream media!

19 AVEs are just an output metric

AVEs are measured using 'content analysis' and therefore are an 'output' metric only. Best practice in communications measurement agrees that effective evaluation moves beyond outputs alone and should also include outtakes, outcomes and business impact too. (See AMEC's Integrated Evaluation Framework micro-site for more information on this.) AVEs take no account of these important parts of the evaluation process.

20 AVEs don't reflect objectives

Good PR campaigns will support an organisation's objectives and will be planned against pre-defined communications objectives as well. AVEs take no account of the success of delivery against objectives as part of their methodology.

21. PR is not just media relations

PR has always been about far more than just gaining editorial coverage and media relations. AVEs, at their best, attempt only to measure the result of your media relations activities. How can they be the true value of your PR efforts?

The changes of the last ten or so years have meant that this is an even more important point. Communicators today are expected to embrace all aspects of the PESO model – Paid, Earned, Shared and Owned. To measure effectiveness meaningfully, AVEs would need to be appropriate and relevant across each of these steps. But they're not. When, for example, a communications professional is incorporating paid media into their campaign, how can it make any sense to then measure 'Paid' with an AVE? And how many of us accept other organisations advertising on our own 'Owned' media too?!

22. The index itself is in decline

Finally, who on Earth would want to assign a metric of success against an index that is in steep decline? Advertising rates are linked to the readership of the publication and the response rates that they generate. As the media choice proliferates for consumers, audiences fragment and readerships across the board continue their decline, advertising rates are declining as well.

Think about the implications of this. Imagine an identical campaign generating the same volume of content in the same media for two consecutive years. The AVE reported in the second year would be less than in the first year even though the output was exactly the same! Who would possibly want to report on their success using a methodology that penalised them the longer they used it?!

About the author:



Richard Bagnall is Chairman of AMEC and a senior global communications effectiveness consultant. His career spans both PR practice (in house and agency) and measurement and evaluation. He has over 20 years' experience running some of the world's leading communications measurement teams, including PRIME Research UK, Gorkana and Metrica.