

What is Earned Media Worth? 1/31/23

StoryTech Consulting
Content Marketing for Business Success

Content from Axios Communicators



Big Business

Public relations is a \$14 billion industry in the U.S. alone, and communications departments exist within almost every major company.

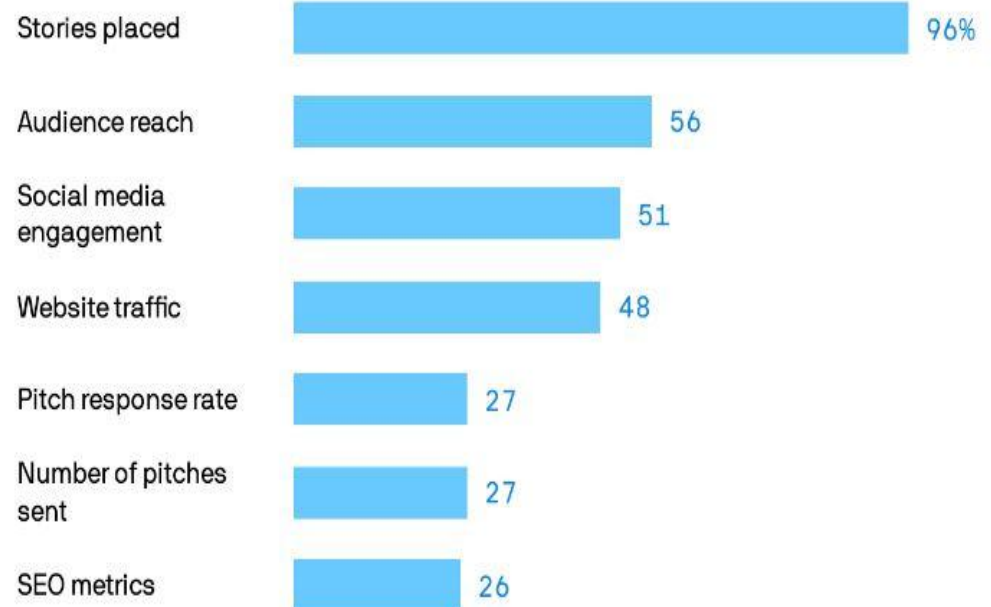
- Industry creates significant value but receives little credit because we don't always have the right metrics.
- New media monitoring platforms are trying to change that.

Using the Wrong Metrics?

3. PR's misguided metrics

Select metrics PR professionals say they've used to measure success of earned media efforts

Survey of 805 public relations professionals from Oct. 11-22, 2022



Data: [MuckRack](#); Chart: Axios Visuals

All Based on a Small Study from 1968?

In 1968, University of North Carolina professors Maxwell McCombs and Donald Shaw conducted a study to measure the impact of the fairly new field of public relations.

After surveying 100 Chapel Hill residents, they concluded that media coverage has the power to sway public opinion and set agendas. PR pros ran with this 54-year-old study and its tiny sample size, and it's still a metric most pros use today.

The thinking is: the more media coverage you garner, the more people you reach, the more influence you have.

Reality check: A media hit doesn't equal readership, engagement or sway.

Enter Memo Readership Value - MVR

"There's this belief that no one is reading traditional media, but it's actually the opposite. And because of this, communication teams are undervaluing how many people actually see the stories they place. We are arming communication teams to be able to say, 'Here's what it would cost to reach this many people through a paid ad, and with earned media, it only cost a fraction of that.'"

Eddie Kim, CEO and founder

Here's the issue. If someone clicks on an article, it's likely getting more attention than a rectangular ad in a publication. We've been calculating AVE all wrong. The article isn't the host. **The article is like the landing page.** (my emphasis)

<https://memo.co/mrv/>

MVR – An Updated Ad Equivalency Model



	368 ARTICLES	2,626,484 READERSHIP	\$4,911,741 MRV		
	Reviews	Roundups	Gift Guides	Celebrity	Sustainability
Articles	80	125	100	30	33
Readership	388.9K	754.5K	840.7K	586.9K	55.4K
MRV	\$776.2K	\$1.5M	\$1.6M	\$901.1K	\$93K
Average MRV	\$9.7K	\$12.2K	\$16.2K	\$30K	\$2.8K

Possible Concerns with MVR

1. How does Memo know so much about the metrics?
Found this statement – “by partnering directly with media companies...”

This partnership would seem to create a potential incentive to overstate engagement

2. Updating the ad equivalency model doesn't address the question of how earned media drives business outcomes.

3. Others?

I've thought about media agenda-setting function for a long time

This study uses scholarly research on the agenda setting function of the media and public polling data to posit a disconnection between the agenda of the media when reviewing Bob Dole's State of the Union response and his candidacy and its effect or lack thereof on public agenda regarding the response and the candidate. The negative coverage of the media did not significantly affect public opinion about the response or about Dole's strength as a candidate for president as shown by available polling data. The media was looking at one reality, while the public was looking at another.

The media agenda has an increasingly circumscribed ability to affect the public agenda regarding political issues because of this disconnection between the two agendas. The rise of values issues in politics and the decline of a national consensus as to what this country should be has caused the public to be relatively immune to the agenda setting ability of the media. This is due to the nature of values politics and the divide between the elite opinion stream and the public opinion stream.

Change is needed – conclusions of 2019 Annenburg/H olmes Report Study

CONCLUSIONS

1. Embrace change.

The PR industry is growing in size and scope. The work is becoming more complex and challenging. The future holds lots of opportunities for those who are able to adapt to changes in technology, media and analytics.

2. Invest in ideas.

Future growth will be powered by content creation, built on multimedia platforms and driven by compelling concepts. PR will need more creative firepower and technological know-how to win the battle with advertising and digital.

3. Hire different.

Agencies and corporations are recruiting the same people from the same places. The PR profession needs to expand diversity and encourage experimentation.

4. Get paid.

Changing media channels present a dynamic business opportunity. The emphasis on earned media is shifting to owned, shared and paid. PR needs to learn and leverage paid media because that's where the business is headed and the competition is already there.

5. Instill courage.

The next generation of industry leaders must be experts at communications. But they also need to think critically and creatively, while cultivating softer skills like adaptability, curiosity and risk-taking.