

## **Fact sheet**

The question of “Am I getting a good return on my marketing spend?,” has been at the forefront of marketers minds since clever people started coming up with, and spending money on, creative ways to sell products. Demonstrating a good return has been easier for some forms of marketing than others. Showing the financial impact of online marketing, for example, is relatively easy. Online marketing allows marketers to see direct connections between ad placements and consumer behavior.

It has been significantly more difficult to measure the value of PR, however, since the effects of media coverage on behavior has to be measured indirectly. While more difficult, it is not impossible to draw connections between how much a company spends on PR and how much value the company is creating. Text 100’s research firm Context Analytics has demonstrated that statistical analysis can be used to overcome the barriers and find the connections, using techniques that have solved similar problems in other marketing disciplines.

### **High Involvement Brands Demand Media Prominence**

Industries that sell high involvement products, products where a buyer invests time and effort in deciding what to buy, have much higher correlations between media prominence and brand value than industries selling low involvement products, products that are more likely to be bought on impulse.

In the computing industry, for example, media prominence accounted for nearly half of brand value, or sixteen times that of the personal care industry. Media prominence was also strong in other high involvement industries, such as the automotive, consumer electronics and financial services.

When assessing the effect of product involvement on the relationship between advertising expenditures and brand value, the Text 100 Media Prominence Report found that advertising expenditures had a much stronger association with brand value for low involvement products like personal care products, and foods and beverages. Advertising accounts for nearly one quarter of brand value for low involvement products, while it accounts for less than 1 percent of brand value for high involvement products.

#### **Public Relations is More Important for High Involvement Brands**

The effect of product involvement on the relationship between media prominence and brand value demonstrates that more complex a product is to a buyer, the more likely they are to research the product category and to look for information that they can trust – from editorials rather than advertisements. This underscores the importance of managing and growing brand value through public relations efforts – not immediately slashing public relations as a soft expense, during a recession.

### **Sample of Brands**

This study included the 99 of the 100 brands featured in the 2008 Best Global Brands report (one brand, Thomson-Reuters, was excluded because it is a media company, and the Reuters brand name appears in an extremely large number of articles). According to Interbrand, there are three criteria for inclusion in the 2008 Best Global Brands report:

- 1) One third of the brand’s profits must come from outside the brand’s home country
- 2) The brand must be recognizable by individuals who are not customers of the brand
- 3) The brand’s financial and marketing data must be publicly available