

**THE ADVERTISING-VALUE-EQUIVALENT (AVE) METHOD
IN QUANTIFYING ECONOMIC VALUES OF PUBLIC
RELATIONS ACTIVITIES: EXPERIENCE OF A PUBLIC-
LISTED COMPANY IN MALAYSIA**

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Why should public relations (PR) not be evaluated for its economic value? Despite the point of its social or intangible values, the argument goes on and on in most management meetings where PR practitioners always face the challenges of justifying their worth – often in monetary terms. In an open dialogue with Grunig during his visit to Malaysia in 2004, this renowned PR guru also expressed the difficulty of quantifying the actual PR worth. It is best to qualify PR values by assessing its priceless relationships with the company's stakeholders. However, in our routine business life, especially at the middle management level, the above question seems unavoidable. In enhancing excellence for PR and communication management, Ehling (1992) placed the logic underlying the economic values of PR on the relationship between benefits and costs associated with the implementation of a PR programme. The above question and problem serve as the main objective of this article. In exploring the solutions for the quantification of PR values in Malaysia, economic education is taken as a remedy for the absence of knowledge and skills in making intelligent decisions in the marketplace (Baskin et al., 1997; Lattimor et al., 2004). In this research context, the researchers (a combination of a practitioner and an academician respectively) confined the scope to the experience of a selected public-listed company for its PR campaign implemented in 2004. Quantification was attempted by evaluating the assessment in print media exposures. All earned media coverage for that particular PR campaign was measured for the media type, space, position, and the corresponding advertising rate. Monetary value was assigned to every

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single piece of PR news in the way disbursements are made to paid media for advertising activities. The explication of this advertising-value-equivalent (AVE) method in quantifying economic values for PR news with regard to the selected campaign was made possible with specially designed computer software. The report generated from the said software showed that the cumulative AVE was able to explain the return on expenditure (ROE) in order to carry out the said campaign. The propagation of the above AVE can be one of the many solutions to evaluate the economic worth of PR.

Keywords: Advertising-value-equivalent (AVE), Quantifying PR, PR effectiveness, Measuring effectiveness, PR management

INTRODUCTION

PR practitioners from profit-making organisations always face the same problem in determining their worth. Commercial questions such as "What are the monetary returns from PR activities?" and "Why should PR not be evaluated for its economic values?" are no longer alien to PR managers. However, how to demonstrate its worth in companies still remains a perennial issue in the PR industry.

In business organisations, as highlighted by Leahy (2003), complaints are aplenty, "Why do senior management not take PR as seriously as other company disciplines?". The survival of companies depends on generating profit. Therefore, all activities conducted by companies have to be measured and made accountable against their set objectives. Senior management always has this numerical mindset at heart, "If you cannot measure your activities, that means you cannot manage them". Like it or not, this management psyche has indeed created stumbling blocks for the PR profession to progress in most business set-ups.

In the private sector in Malaysia, PR is a relatively young profession. Despite the fact that its professional body, the Institute of Public Relations Malaysia, was founded way back in 1962, this profession is yet to be accepted as playing a vital role like its counterparts, e.g. in marketing, human resource, finance, etc. Most companies, especially those which do not feel the importance of PR, may carry out their duties with only one-man-operation (OMO) activities. Therefore, it is no

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offence to say that OMO seems to be the modus operandi for most PR practitioners in Malaysia. In some lucky situations, a PR department may be established and requested to perform a functional role to support a company's objectives. Nonetheless, in most cases, the head of PR always comes under pressure to face the demands from his fellow counterparts for justifying PR contributions to the financial health of the company. This is indeed a management issue for most PR practitioners in business organisations.

To overcome this so-called management problem, this article aims at identifying ways to explain the PR dilemma. Professor James Grunig, during his visit to Malaysia in 2004, was posed with an almost similar question, i.e., can PR value be quantified? His immediate response was at advising PR practitioners to qualify their contributions in enhancing good rapport with the public to promote its trust, commitment and satisfaction. Grunig's view is supported by the comments made by Simeonov (2006) that PR is much more an arts than a science. According to this independent professional, PR deals with human perceptions, feelings and prejudices, which are not easily quantifiable.

However, "not easy" does not mean "not possible" to measure the economic value of news publicity for the PR profession. Undoubtedly, one of the main duties of PR is to write good press releases. Writing is an art and may require crazy ideas and artistic skills. However, accepted methods to calculate the economic value for publicity activities is an exigency for PR practitioners who are always under pressure to prove their worth against a company's bottom-line, i.e., the profit. In discussing media economics, Hoskins et al. (2004) say that economics is the science that shows us how to allocate scarce resources, with alternative uses, between unlimited competing wants. That is to say that a company has to demand managerial decisions from PR practitioners to determine "where to put the money" with regard to publicity activities.

In another writing on the same issue of discussing science and arts, Lindenmann (1997) noticed that there are still many practitioners refusing to treat PR as an exact science and claim that effectiveness of activities is extremely difficult to measure. Nonetheless, as propagated by this scholar, it is definitely possible to measure PR effectiveness which does not have to be expensive or time consuming as misconstrued by most practitioners. Nowadays, with the help of available computer

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software, many effectiveness yardsticks have been developed to measure PR effectiveness, including media placements and news impressions.

In spite of his propagation to qualify PR effectiveness, more than two decades ago, Grunig and Hunt (1984) introduced some scientific analysis techniques for measuring PR effectiveness. Among others, these techniques include Gantt Charts, the Programme Evaluation and Review Technique, Critical Path Analysis and Cost-Benefit Analysis. The closely related budgeting and decision making processes are the essence of those techniques. Budget is taken as the label that is tagged on an effective PR programme decision and as the financial plan for the said programme. Ehling (1992) considered budgeting as the economic decision-making procedures that should be applied by PR practitioners. The logic underlying the economics of PR focuses on the relationship between benefits and costs that are associated with the implementation of a PR programme. If benefits exceed costs, a programme is sound. This general knowledge forms the rationale in doing business and PR should strive to create more benefits than costs.

In Malaysia, PR practitioners from business organisations are always forced to justify their worth in numerical terms. The problem remains on how to subject PR to rigorous cost-benefit analyses. This article draws on the experience in quantifying economic value for news publicity by one of us, i.e., the practitioner author, who was then the PR manager of a public-listed company in Malaysia. We share the same view with Wragg (1994) that a company's contribution to society needs to be publicised in order to put the company's resources into better use.

The purpose of this paper is to further enhance excellence for PR management. Hence, the objectives are to document the experience of PR in the said public-listed company in order to share the literature discourse on AVE, the method to make this concept work, as well as the feedbacks from the management of the said company. The authors hope this article can contribute towards knowledge of PR literature and the profession with the aim of overcoming their problem of making intelligent monetary decisions in the marketplace as suggested by Baskin et al. (1997) and Lattimore et al. (2004).

THE FRAMEWORK

One of the first and easiest ways of evaluating effectiveness in news publicity is to count the amount of media coverage gained (Theaker, 2004). As the demand on quantifying its economic value grew, AVE was popularised in the 90s. AVE stands for Advertising Value Equivalent or Advertising Value Equivalency. It is also known as Equivalency Advertising Value (EAV), Advertising Cost Equivalents (ACE) or Advertising Space Equivalents (ASE). This concept goes beyond counting news coverage and explains how much money they would cost if they were purchased as advertising. It is a measure of the economic value of the space and time covered by print or broadcast media, had these media contents been purchased at advertising rates. Indeed, the rates are applied to indicate the relative quality and reach of this news coverage. However, there are some disputes about this being it a good way to measure value for news publicity as it may not really reflect the direction of a news story, nor does it take into account the high value of editorial endorsements. Before discussing the strengths of AVE and applying the model to solve management problems, let us briefly look at the downside of this measurement model. The media coverage debate commenced ever since the AVE model was first mooted. Macnamara (2002, 2005), who is a stern opponent to this quantification approach, mentioned that three international PR bodies, i.e., the Public Relations Institute of Australia (PRIA), the UK Institute of Public Relations (IPR), and the Institute for Public Relations in the US had condemned the use of the AVE for validity reasons. In his earlier discussion paper, Macnamara highlighted the differences between advertising and editorial media contents.

To Macnamara (2002, 2005), advertising is seen as a different creature from editorial output although both are placed to fill up the media contents. Therefore, they are not equal and should not have any equivalency value to the advertising rate for editorial products. The differences between these two communication activities are mainly attributed to the control of the messages. Advertising is totally controlled by a company while editorial publicity rests in the hands of media organisations. Accordingly, news stories are independent comments by journalists, while advertisements are paid messages that appeared on media and they can be shaped exactly to the requirements of the advertisers.

Table 1: Differences between advertising and editorial contents.

Advertising	Editorial
Content is never critical or inaccurate as it is written by the client.	May contain criticism and inaccuracies.
Never mentions competitors, except in product comparisons favouring the client.	May contain competitor coverage, even unfavourable comparisons.
Is placed in selected media strategically important to the client.	May be in unimportant media including some not relevant to target audiences.
Positioning is often controlled (e.g. with loadings).	May be well-positioned or poorly positioned.
Layout and design are client determined for impact, including use of headlines and logos.	Is laid out by sub-editors. No control of headlines or photos. Rarely uses logos.

Source: Macnamara, 2002

Besides the abovementioned writer, some scholars also question the accuracy of the AVE method of adding up the amount of coverage and equating it to the cost of the same space if bought for advertising (such as Jeffries-Fox, 2003; Theaker, 2004; Williams, 2005). While rejecting AVE as not fitting into valid and reliable evaluation systems, Williams (2005), on the other hand, accepts share of voice, opportunities to see/reach, target-to-story ratio, message carriage, prominence, focus, tonal analysis and behaviour, awareness and attitudinal analysis as the core tools for reliable editorial evaluation. However, these alternatives do not seem to provide the measurement of economic value that is demanded by most management of business organisations.

In today's business climate, managements must ensure that they are getting value for money for their PR activities. PR practitioners must be able to demonstrate their PR efforts are worth many times more than their cost and AVE offers this measure for PR effectiveness (MediaMarket, n.d.). MediaMarket is a European company that provides services for media monitoring, marketing and media intelligence in the UK and Ireland and it has capitalised the advantages of AVE. Besides measuring all news coverage relevant to its clients, this company has

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also applied various multiples, ranging from three to eight times, to the AVE based on the pre-qualified impact that each news article has in order to determine the economic value of its worth.

Using a multiplier on AVE may not be advisable as the measuring procedure could be trapped into subjective risk. In recognising that traditional PR performance measurement methods are subjective and open to varied interpretations, Kelly (2005) advises that these performances be evaluated with objectivity, that is, by applying limited and impartial judgements in evaluation. We are therefore not in the agreement of extrapolating the actual values of advertising-equivalency as practised by MediaMarket. What we should use in measuring the economic value for media evaluation are the realities that we act on.

In discussing the purpose of evaluation for PR, Wilcox and Cameron (2006) are of the opinion that systematic assessments of performance and results are important. These efforts involve measuring the consequence of a programme against the objectives that have been clearly set during management meetings. A systematic assessment is indeed a means for PR practitioners to offer accountability to their employers. In this respect, AVE could help to generate a systematic and objective way of analysing PR campaigns for media evaluation research. In this way, monetary figures could provide some indicators of what have been achieved to the management.

Both PR and advertising share many similar characteristics in disseminating a company's information and are treated as playing communicating roles in management functions. Advertising generally comprises paid messages with creativity to achieve a business purpose (Hoskins et al., 2004). An advertising department is assigned the responsibility for product advertisement with persuasive intention to affect demand for the company's products by changing consumer taste and encouraging brand loyalty. On the other hand, corporate advertisement – being part of PR products – serves to enhance company's image. The advertised products and companies are normally perceived as having the effects of facing less competitions vis-à-vis the unadvertised ones. So, placing advertisements in the media is said to enable an advertised company to sell more products at a premium. News publicity that fills up the media space should have the impact to affect the consumers as well. Through the collaboration between media

relations and journalists, PR practitioners are able to push their news stories to generate publicity for their companies. Their efforts are not worthless and should not be discarded when measuring the outputs of news publicity companies gain. So far, we believe AVE is the only method that has provided the possibility to quantify the economic value of PR news generated through the efforts of PR departments.

Everybody wants to see tangible results when they invest their hard-earned cash. PR is no exception to this rule. An AVE model that goes beyond the content analysis method with the element of an advertising rate is also recommended by Camm (2005) as a way to acquire quantifiable evaluation of media relations programmes. Content analysis is seen as "a tool for observing and analysing the overt communication behaviour of selected communicators" (Budd et al., 1967: 2). The frequently quoted definition of this method is "a research technique for the objective, systematic, and quantitative description of the manifest content of communication" (Berelson, 1952: 18). By virtue of the quantification of communication contents, we record predefined content elements objectively and systematically. These content elements would be further measured against the rate charged by respective media organisations if they are to be sold as corporate advertisements. Hence, AVE is able to reflect the equivalent cost had we purchased the similar space in similar media to fit these content elements.

According to Turner (n.d.), AVE is said to be a strong divergence from complex evaluation models. This could-be intuitive response that leads to the creation of another form of media evaluation has been discredited and rejected by some practitioners who insist only properly conducted market research. To them, only market research that involves sophisticated techniques like sample surveys and quasi-experimental designs can be regarded as valid and reliable measures. However, this notion has caused restrictions to the practicality in media evaluation and this may not offer any help in meeting management requirements. According to Turner (n.d.), the need for media evaluation should be made apparent to all practitioners who handle never-ending press clippings and media transcripts as well as cope with the requirements of reporting on media situations. Likewise, when they are asked to evaluate the value on media situations, they have to act. In general practice, top management expects proper evaluation reports which are more substantial and scientific than just one-line mentions like "there are

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lots of coverage for this month". It is worse still if piles of unorganised press clippings are presented to them without any notations. If the submission of proper media evaluation reports to the top management is without monetary figures, it may also be difficult for the PR practitioners to justify the benefits accrued from this activity. So, the AVE method is still a popular approach especially among practitioners who are required to prove their worth against balance sheet requirements as noted by Turner (n.d.).

While accepting AVE as a suitable method in measuring economic value, other meaningful methods like opportunities to see (OTS) and cost per mille (CPM) would add flavours to a more comprehensive media evaluation report. OTS is a measure used by advertisers to determine the position and reach of their products. It gauges the number of times readers or viewers experience an advertised message. This figure is equivalent to hits or visits of Internet viewers and it denotes the breadth of penetration of a particular message. In PR, it is widely known as news impression which describes the number of people who may have read a news story or an editorial message. To measure the cost effectiveness of reaching these audiences, the prerequisite is to identify the overall expenditure of a particular publicity programme that had been implemented. CPM that is normally counted as cost-per-thousand is derived by taking a said expenditure to multiply by a thousand and then divided by the total news impression or OTS. Hence, figures generated from CPM serve as comparisons of cost effectiveness in reaching audiences for different publicity programmes. Another important comparison for cost effectiveness is the cost-benefit analysis that Ehling (1992) considered as an important economic decision-making procedure. The cost in this perspective is the overall expenditure of the publicity programme that is mentioned above while the benefit that is gained from the publicity programme is the value of the news coverage that is counted by the AVE measurement. If we confine the return or benefit that is gained from publicity programmes to only the news coverage and not extend it to sales outcomes as always demanded, the ROE can be calculated by dividing the total AVE with the overall expenditure of the said programme.

From the comprehension on the above literature on the economic value of PR activities that can be measured by CPM, AVE and ROE, some

basic mathematical equations demonstrated below serve as solutions to the problem:

- Total coverage = Summation of all news items
- Size of news item = Column (col.) * Centimetre (cm) ... [Equation A]
- Advertising value of news item = [Equation A] * Advertising rate ... [Equation B]
- Total advertising value = Summation of all [Equation B] ... [Equation C]
- Return on expenditure = [Equation C] / Expenditure
- Total news impression = Summation of (news item * readership) ... [Equation D]
- Cost per thousand = Expenditure * 1,000 / [Equation D]
- Reach per every Ringgit = 1,000 * CPM⁻¹

All above mentioned equations are indeed mathematically simple with the expectation to cope with the great for the quantification of economic value by the management of the company that we have worked out.

OPERATIONALISATION

Different organisations would have their unique approaches on media evaluation. No single approach is perfect for all. Taking the equations mentioned above, we collaborated on a project in search of a solution to this PR management problem. The idea to undertake this project was derived from a postgraduate programme entitled *Presentation Media* that is taught at Universiti Putra Malaysia on optimising communication media into meaningful usage for organisations. In this respect, the AVE method was incorporated into this project in order to produce the measurement of economic value for PR activities.

Why is communication media used to solve this management problem? The purpose is to overcome language limitations and provide confidence in aid of management planning. In other words, it can also make something abstract to become more concrete. The aim of using communication media is to influence audience and provide help in communicating processes. Communication media refers to channels of communication or technology that carry information or mediate messages. They can also be tools, products or software that contain messages or information produced for communication purposes. With

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this understanding, an idea was generated to develop a computer software programme to convert PR news into facts and figures, and hence to measure the economic values of these news stories. Using this software programme as a communication medium for presentation purposes would help to overcome language limitations by producing figures and charts that could convey more concrete and factual information. Therefore, the standard presentation could make something abstract become meaningful and also provide confidence and help for future planning of PR activities.

In this respect of operationalisation, we confined the scope to the experience of quantifying economic values for a public-listed company as mentioned earlier with its PR social campaign implemented in August 2004. Quantification of value was attempted by evaluating the assessment in print media exposures only. All earned news coverage for that particular PR campaign were measured for the media type, space, position and their corresponding advertising rates. Monetary value was assigned to every single piece of PR news in the way disbursements were made for paid media in advertising activities. The advertising rates for the period under study, together with the circulation and readership rates, were acquired from respective media organisations and these rates could also be obtained from *Media Guide 2005*.

Before putting the project model into perspective, it would be sensible to scrutinise the proposed working process as shown in Exhibit 1 on page 45.

As demonstrated in the first box, PR personnel were normally assigned the duty of reading newspapers in order to monitor the news coverage concerning the company. This daily routine became more imminent should the company have launched any publicity programme that could have attracted media attention. Once any relevant news items are identified, they would be extracted and compiled as news clippings. In the second box of the Exhibit 1, we can see that besides being circulated to management, these news clippings would also be sorted according to the pre-designated categories before being stored in cabinets. That was the general practice of the PR department for the company that one of us used to head. Definitely, the management team was not satisfied with the way these news clippings are eventually kept in the store. It did not add any value to PR and also to the company.

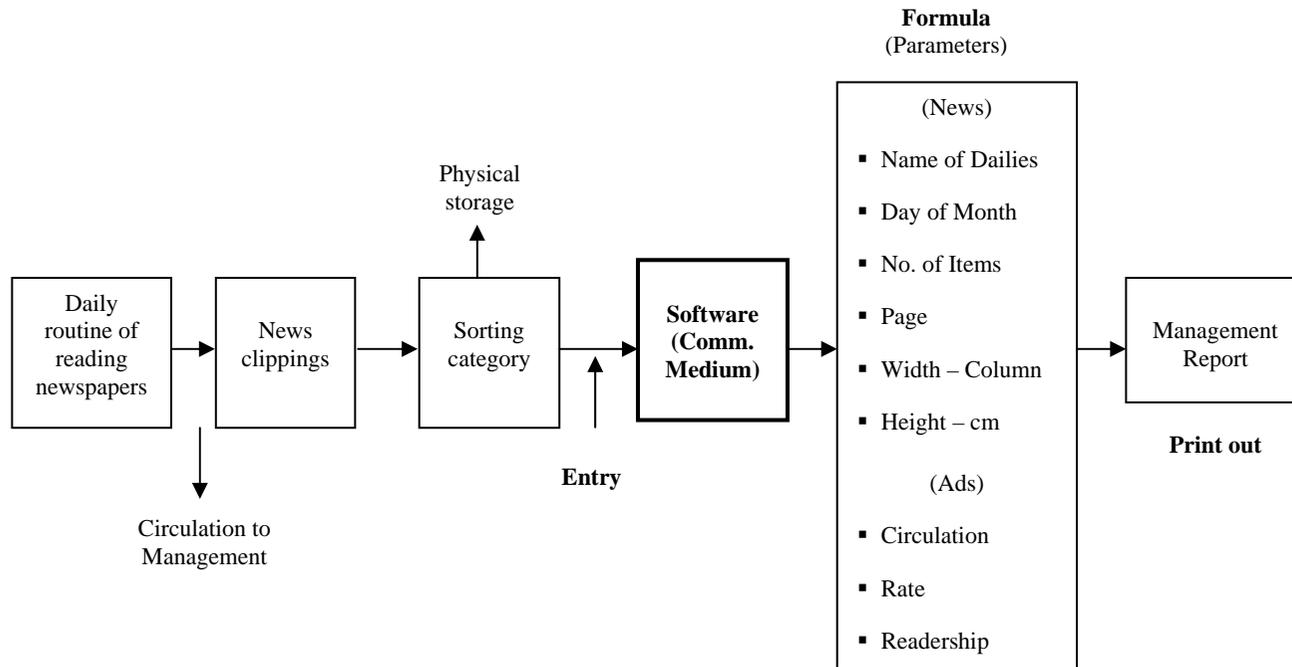
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The downside of presenting piles of news clippings as evidence of PR effectiveness was the practical issue too. The busy management team seldom had time to read large volumes of information. The team was more numeric-oriented and wanted the concise figures and graphs to summarise the outputs of PR activities.

As we move towards the right and as exhibited in the next three boxes, we can see a communication medium was applied to solve this management problem. A computer software incorporating all the abovementioned equations or formulae was the outcome of putting the knowledge that was learned from the said postgraduate programme into practice – our workplace. This project was with the intention to design and develop a communication tool that can facilitate PR practitioners to quantify the economic values of news reporting. This quantitative mode of media treatment was to complement the PR efforts and add value to the normal qualitative cum descriptive reporting on news published in print media.

This communication tool or computer software programme took three steps to perform the whole process to measure the figures and produce the data. The first step is to work out the logic of calculation by designing the formulae and incorporating them into the desired computer software. In view of the cost factor, the spreadsheet software of Microsoft Excel was capitalised in the design of this logical framework of programming. Some factual statistics and parameters were taken as the basis for computation. As shown in the fifth box that indicates the news portion, the name of the newspapers should be identified from the beginning. Furthermore, to facilitate retrieval of news items and to plot the news flow, dates of news articles ought to be recorded as well. Marking the number of news items served to prevent any confusion of multiple news items on the same day for the same newspapers.

Exhibit 1: The Process of Quantifying PR Effectiveness



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The position of news would determine the value of items; therefore, marking down the pages of news items could ascertain whether the stories were being published at national or local columns. There were differences of advertising rates between the national and local sections of all newspapers under study. To determine the space that is allocated for news coverage, calculation of column-centimetres could be calculated by multiplying the width with the height of the news items. The economic values in AVE measurement could then be worked out with the summation of news space multiplied by their corresponding advertising rates. These advertising rates, together with the figures on circulation and readership, formed part of this project programme as exhibited at the advertising portion.

To ensure that it works, this computer programme had been tested several times by selected PR personnel who used to work with one of us. Some flaws had been identified and accordingly rectified. Despite a little shortcoming on entering the raw data into the computer system, the general comment on this specially designed programme was its success in eliminating calculation work, which was the nightmare for most PR practitioners. After the programming of formulae was finalised, the system could then be utilised without further hassles. The two remaining steps in this programme, i.e., entering the raw data and printing the management reports, were indeed easy and could be performed by any PR personnel in the department.

As for the entry stage, raw data extracted from bundles of news clippings were punched into the computer programme. The main figures required were shown in the news portion of the fifth box in Exhibit 1. They were names of daily newspapers, dates of news articles, numbers of news items, pages that the news appeared and their widths and heights. As mentioned earlier, prior to the practice of utilising this computer programme to measure the economic values of news publicity, unending boxes of daily news stories pertaining to the company had been arranged on shelves as display. They might not have been appreciated by the management and eventually would become waste paper inside dustbins. By having this computer software programme as a presentation medium, those previously discarded items would be successfully converted into useful management reports.

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The final important step was to produce printout for management reports. The printout was designed on a monthly reporting basis; the setback was, there was no flexibility in making daily, weekly, quarterly or even yearly analyses. A September 2004 Management Meeting marked the history for the said PR department that submitted its August 2004 PR Report in a brand-new format. The highlight for the said monthly report was the quantification of economic values on news publicity in relation to a PR social campaign that was launched in the same month. Some valuable figures were presented, such as the quantity of news items that was published by the respective newspapers, the size of the space taken up by this news publicity coverage and the opportunity to be exposed to audience. Further to that, the report provided possible economic values based on the AVE of publicity coverage in these newspapers. With the secondary data acquired from the department, i.e., the expenditure on the PR social programme, the important financial ratios like CPM and ROE were generated. According to Rosenbaum (1994), the essential aspect of financial ratios could tell the management how efficient money had been spent. This attempt was in accord with the belief that PR activities ought to be measured against business activities and then how it impacted the business results. Besides that, it was also believed that this quantitative format of reporting could give an edge to the PR profession in business corporations that always demand facts and figures, as well as wish to know the return on PR investments.

RESULTS

The explication of this AVE method in quantifying economic value for PR news publicity with regard to the selected PR social campaign was made possible with the availability of the computer programme. Immediately after the new format of PR report was submitted to the management, all personnel from the said PR department found it easy to determine the monetary worth of the news publicity generated by them. What they had to perform to generate these figures was just keying in the data that were obtained from the news clippings into the designated entry pages of the computer programme. At the end of the month, they could press a few buttons in order to generate the desired format of report. The report produced from the said programme showed that the

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cumulative AVE was able to explain the return or benefit gained from the money spent to execute the said campaign.

Recalling the Management Meeting held in September 2004, when the new format of the PR report was first presented, some instant feedbacks received from the management team were shown as follows:

- "Finally, we have managed to get rid of those unnecessary management debates."
- "Well, let the figures speak for themselves."
- "At least we can now visualise the worth of PR and its returns."
- "This simple and yet comprehensive report shows a thousand words and saves a lot of our time."

However, there were also some negative comments that simply demoralised the efforts put forward by the PR personnel:

- "Too simple... too brief..."
- "Publicity should be free..."
- "Where are the sales figures?"

As noted from one of the above comments, AVE does not tell us the exact sales figures generated but the figures generated from this model have the ability to determine the economic value of the expected exposure through media. We believe that the AVE method is able to describe ways of measuring the processes, instead of outcomes, of PR efforts in supporting business objectives. Measures of PR processes indicate whether messages are being sent, placed and attended to. Measures of economic value on these processes can show us the worth of managing these messages until they are published if they were treated as advertising functions. Nonetheless, process indicators tell us little about the effects of PR activities unless we can prove that the processes have effects on the intended outcomes of social programmes, such as changes in the cognitions, attitudes and behaviours of the public as mentioned by Molleda et al. (2005). In this applied project, the results achieved were only centred on the measurement of effectiveness in delivering the company's message to its target audiences.

Some might query the purpose of this undertaking if we cannot anticipate changes in the thinking, interest and action of the public. This

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project is perhaps not very academic but it has its commercial value in dealing with management issues. Applying AVE in the measurement will also help PR practitioners to monitor the progress in publicity and media relations. According to Rayner et al. (2001), by enhancing research and development skills in media evaluation, communication practitioners could gain ability to criticise and evaluate the communication processes more effectively, besides increasing the sense of excitement and achievement in carrying out their communication programmes. Generally, when evaluation on economic value is carried out, decision makers could determine whether previously executed programmes achieved their business objectives.

In the case of this project, with the aim of sharing the experience of the company under study, we found that the concept of AVE and other relevant figures received overwhelming response from the management. The management report produced from this project had successfully outlined the total news publicity coverage as well as the breakdown quantity. Besides the counts of news items, the space in column-centimetres allocated by respective newspapers was also identified. In fact, the quantity of news items and column-centimetres formed the basis for measuring the economic value of PR news coverage.

While presenting these two fundamental figures, OTS or the news impression was generated from the quantity of news items that appeared in various newspapers. Derived from OTS, the computer programme had also produced the CPM or the cost to reach 1,000 readers in the said campaign. For the campaign launched in August 2004, the PR department had worked out a spending of RM1.99 to inform 1,000 readers about the existence of its company. Other than CPM, this programme had calculated a cumulative AVE of RM89,623 worth of space to cover the company's campaign which gained from the newspapers under study. From this figure, the system had also determined a ratio of 1.02 for its ROE. The ratio of more than 1 indicated that the benefit gained was greater than the cost or the expenditure to conduct this social campaign.

When decision makers plan to work out any social campaigns, they must first select the best alternative course of action for implementation. By tracking the records of the figures generated from this computer programme, the management team would be able to obtain good

comparisons to go for a better course. Therefore, it is believed that a good media evaluation process could lead to a better decision-making outcome. This was indeed the intended result of the study.

LIMITATIONS AND SUGGESTIONS

Arising from various comments, the authors identified two limitations in this project, i.e., the expected result of the project and the argument on AVE. As we noted, quantifying the economic value of news clippings presents a quantitative measurement of the outputs (process of PR publicity) only, and not of the outcomes (sales results). The restriction is that these news clippings indicate only the reporting occurring in the media. They do not indicate whether target audiences read or accept the company's message and, if they do, whether it influences their behaviour. The amount of pressure on PR practitioners to demonstrate their worth is hence escalating. The management demands more from the project to indicate its contributions to the company's bottom-line. The communication tool invented in this project does help to explain the worth on news coverage but does not seem to solve the fundamental problem. We may have measured what PR has produced, but the ability to determine its success in generating wealth for a company remains unproven scientifically.

If a company is very anxious to obtain figures in order to ascertain significant determinants to the sales outcomes, a proper market research may be required. Definitely, this type of research is expensive and time consuming. Unless it is acceptable, future PR research may look into the possible correlation of PR publicity vis-à-vis the company's sales results bringing about the outcome of total management efforts. An analysis of the secondary data of a company's sales figures and AVE can be performed for a period to be identified later.

Another possible flaw to this project is the disagreement on the AVE method. We take note of two arguments, i.e., the advertising rate is highly flexible and the credibility of journalistic articles is normally higher than advertisements. Even if critics refuse to endorse AVE as a measurement tool, they cannot deny that there are situations and methodologies in which advertising rates obtained from the rate card can be useful. Since these rates are an indication of relative credibility,

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using advertising rates as a factor in analysing media value should not be a dispute. Hence, comparison for news publicity to advertising may not be unfair to either discipline.

Pertaining to the application of multiples for the AVE measurement, we do not suggest adopting this subjective element in calculation. The practitioners who apply the AVE method must explain to their management that the AVE is just an estimate. It simply gives us an idea of the monetary value of news publicity gained from a PR campaign. In view of the above limitation, we would like to suggest qualifying the application of AVE in measuring the economic value of PR activities with a disclaimer clause to specify its limitations. After making reports, spell out that the usage of AVE is limited to make comparisons for past and future activities. That is to say, we should qualify before quantification and again qualify after quantifying the values.

CONCLUSION

We must first acknowledge that there is no perfection in any single method or tool in measuring PR effectiveness. We aspire to design and develop a management tool to solve a long-lasting communication problem for PR practitioners. Although criticised, AVE is found to be more realistic in solving this management problem. The propagation of AVE provides one of the many solutions to evaluate the economic value of PR as well as one of many media choices for management usage. From the project carried out at a public-listed company in Malaysia, various kinds of feedbacks have been received. Regardless, the application of the AVE method has made the quantification of economic value for PR activities possible. From this value, the useful financial ratio of ROE can also be obtained. This has also helped PR personnel to analyse the costs and benefits of a campaign to be implemented more readily.

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