

Finding an alternative to PR's broken business model



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How do you measure the value of PR? The ultimate business goal is to get the phone to ring, but PR is not sales and it's rare to be able to draw a direct link between a particular PR effort and a sale. The results show themselves in more subtle ways, in reputation and in visibility.

The problem is that reputation and visibility are hard to measure - it can be done, but not very accurately, and even then only at such expense that few companies can afford it. So all too frequently, PR companies and its clients fall back to measuring and paying for what everyone can agree on: The number of hours put in.

Watching the clock

But the traditional by-the-clock model is profoundly broken. If you're the client paying by the hour, for example, you're less likely to pick up the phone and call your PR account manager about how to pitch that important presentation. You lose out on potentially valuable advice, and the account manager loses an opportunity to strengthen the relationship.

On the other hand, if you're the PR company being paid by the hour, it's not worth your while to spend five minutes pitching your client to a journalist you've known for years. You might do it anyway because you like the client, but it does nothing for your bottom line.

I believe very firmly that when PR is billed by the hour, everybody loses. Clients inevitably resent the fact that it costs them money every time they pick up the phone; and PR practitioners feel exploited as they discover that the better and more efficient they get at their jobs, the less they earn.

Negotiate with clients

It's time to negotiate our contracts with clients differently, with a focus on building long-term relationships that can deliver solid business value. It's a bit more complicated than signing up for X hours a month, but the process forges much more robust, trusting and rewarding relationships.

One of the critical foundation stones of such relationships is mutual recognition that our clients don't pay us to be nice to them; they pay us to advise them in developing and implementing a communications strategy that will grow their business. Our effectiveness is based on the fact that we're watching different signals than they are, and noticing different risks and opportunities. They may not always like what we have to say - but we'd be failing in our responsibility if we didn't say it.

Understanding your business

I have found that as the relationship develops, clients often begin to understand their own businesses in an entirely new way. This is especially true in small and medium-sized businesses. The natural tendency of entrepreneur/owner/manager is to focus entirely on the product: They know every little technical feature and twist that makes it fantastic. They have much less practice at thinking from the customer's point of view: How will this make my life or my business or my job better? It's our job to force them to consider, understand and articulate that.

If you're looking for a PR agency, the first questions to ask yourself are: Do they have experience with clients in my industry, and of my size? What's their track record? Can they develop a strategy that addresses my unique needs?

And there are some questions about your role as a client as well: Am I looking for a professional communications partner whose advice I can respect, or someone to compile a few brochures? Can I commit to keeping my PR advisor in the loop about what's happening in the business? Am I prepared to harmonise my PR with my other marketing and advertising initiatives to avoid wasted effort and spending?

If you're able to answer "yes" to all those questions, and find a PR agency that can say the same, both parties have the opportunity to build something valuable. Opening the door to partnership and conversation, rather than an inherently unequal relationship in which everyone is watching the clock, will yield results that are surprising, enlightening and rewarding for everyone concerned.

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