

How to measure your results in a crisis

“Great emergencies and crises show us how much greater our vital resources are than we had supposed,” William James wrote to his wife 1906.

We only have to look to Sept 11th to know that James’ what absolutely right when it comes to nations and individuals. The veracity of his claim, however, is not nearly as clear cut when it comes to organizations. In fact, many corporations in crisis demonstrate just how much fewer are their vital resources than previously believed, assuming that vital resources include reputation, leadership, integrity as well as customer and employee loyalty. During a crisis, all of these factors are put under enormous strain. Thus the survival of an organization’s reputation during a crisis depends on its internal culture, strength of its communications and integrity of its leadership.

So before we can examine how to measure the effectiveness of communications in a crisis, we need to set down some basic foundations for what constitutes crisis communications. Of course, the best type of crisis communications is that which avoids the crisis all together. According to James Grunig, Professor of Public Relations at the University of Maryland, in fact, good crisis communications starts way before an incident occurs. “Communication with publics before decisions are made is most effective in resolving issues and crises because it helps managers to make decisions that are less likely to produce consequences that publics make into issues and crises. If a public relations staff does not communicate with its publics until an issue or crisis occurs, the chance of resolving the conflict is slim,” Grunig wrote in a speech in Taiwan in May of 2001.

Grunig goes on to articulate four principles of crisis communications.

1. **The Relationship Principle:** An organization can withstand both issues and crises better if they have established good, long-term relationships with publics who are at risk from decision and behaviors of the organization.
2. **The Accountability Principle:** Organizations should accept responsibility for a crisis even if it was not their fault.
3. **The Disclosure Principle.** At the time of a crisis, an organization must disclose all that it knows about the crisis or problem involved. If it does not know what happened, then it must promise full disclosure once it has additional information.
4. **The Symmetrical Communication Principle:** At the time of a crisis, an organization must consider the public interest to be at least as important as its own. Public Safety, for example, is at least as important as profits. Therefore the organization has no choice other than to engage in true dialogue with publics and to practice socially responsible behavior when a crisis occurs.

To make sure you are doing all you can to avoid a crisis, you need to always be listening carefully to your audiences. What are the issues that are surfacing in chat rooms? in

news groups? and in the media? How are employees, vendors, and the community responding to your messages? These questions can easily be answered through regular surveys and content analysis of the media (print, electronic and the internet.)

But sometimes all the listening in the world can't prevent the unavoidable accident, or the simple twist of fate. Through no fault of your own, the TV cameras are at your doorstep and the spotlight is upon you. Your crisis communications plan kicks into effect, your key messages are delivered, the emergency web site is live. So assuming that your organization has followed all the rules, how do you know how well you're doing under fire.

There are three elements to measuring your effectiveness during a crisis.

1. Measuring Outputs and the effectiveness of your process: Hour by hour, or day by day monitoring of the media to determine if your key messages are being communicated and to whom.
2. Measuring Impact: Determining if the messages are having the desired effect, if they are being believed, and if they're swaying public opinion.
3. Measuring Outcomes: In the long run, did the crisis impact your reputation, customers' intent to purchase? Employee turnover? Shareholder confidence?

Which type of measurement you select should be driven by your internal needs for better decision making tools.

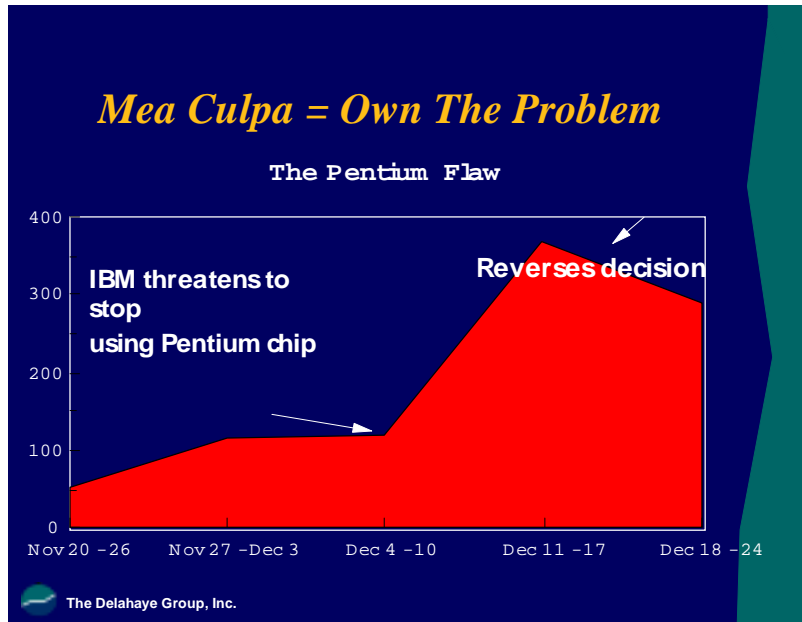
CHECKING THE VOLUME AND CONTENT

Daily or hourly monitoring is a wonderful tool, but if you can't respond or react to the data, there's no point in commissioning it. However, if your crisis is on-going, and you need to make decisions hourly or daily as to what to say or not say, such monitoring will be essential. You should schedule delivery of such a monitoring report in plenty of time to allow you to craft and refine the key messages you need to be communicating.

A monitoring report typically examines print, television, radio, internet news groups and chat rooms to determine what is being said, how the organization is being positioned, and what messages are being delivered.

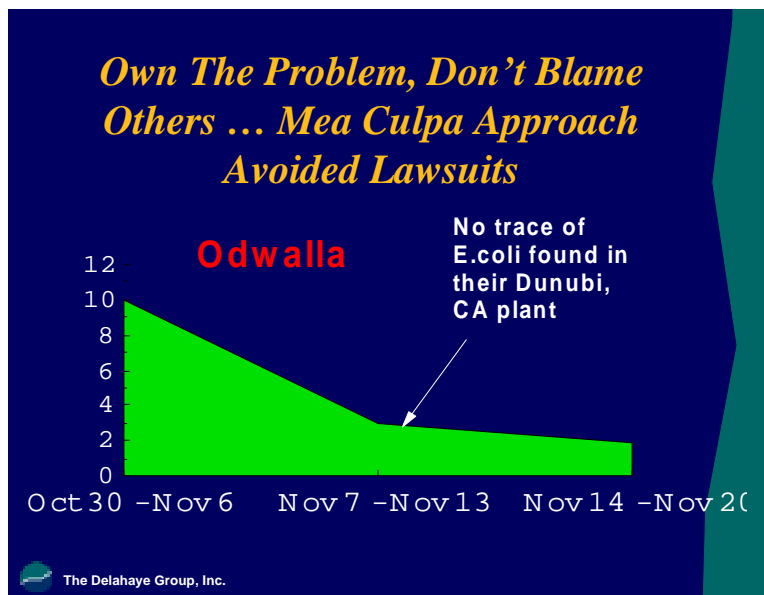
Sometime the ultimate measure isn't the content, but the sheer volume of crisis coverage. The following charts track the volume of clips over the first few weeks after a crisis has broken for several well-known crises. On the left axis I is the number of impressions in millions made the first day the news story broke. The chart then plots the number of impressions made each week over the next few weeks. As you can see, sometimes the volume of coverage goes up after the crisis breaks and sometimes it goes down. That's the difference between well-managed crises and poorly handled ones. A well managed crisis gets all the bad news over with up front by aggressively dealing with a problem. A poorly handled one, can drag on for months, as you can see by the following charts:

In the infamous case of the Intel Pentium flap, Intel long denied its existence until camera crews showed up on their door step. The resulting coverage went on for months.

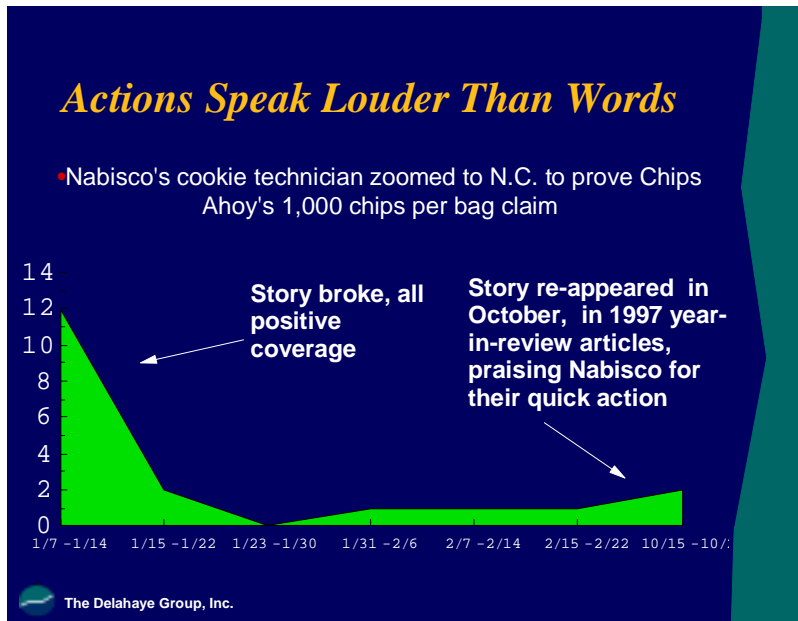


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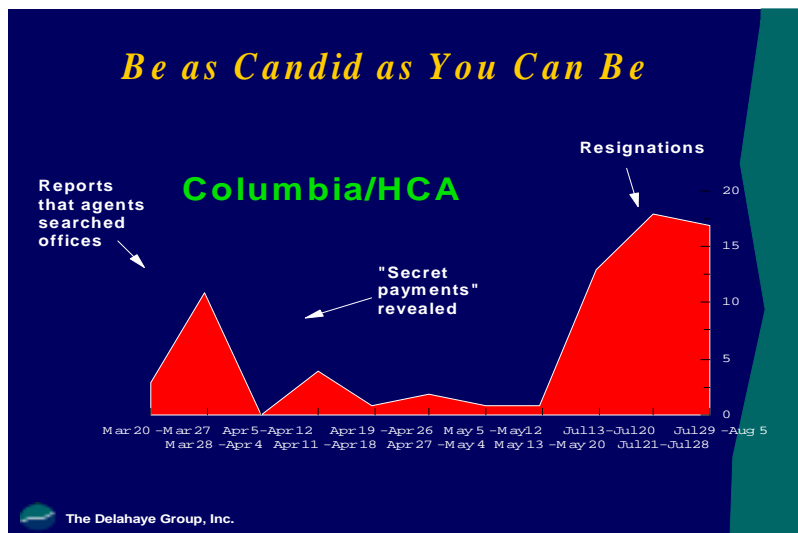
In sharp contrast, Odwalla, a natural juice company, was found to have sold batches of contaminated unpasteurized apple juice that sickened a number of people and ultimately brought death to a child. However, their corporate culture and social responsibility was so strong, that they managed to contain the crisis in a few short weeks and ultimately avoided law suits all together.



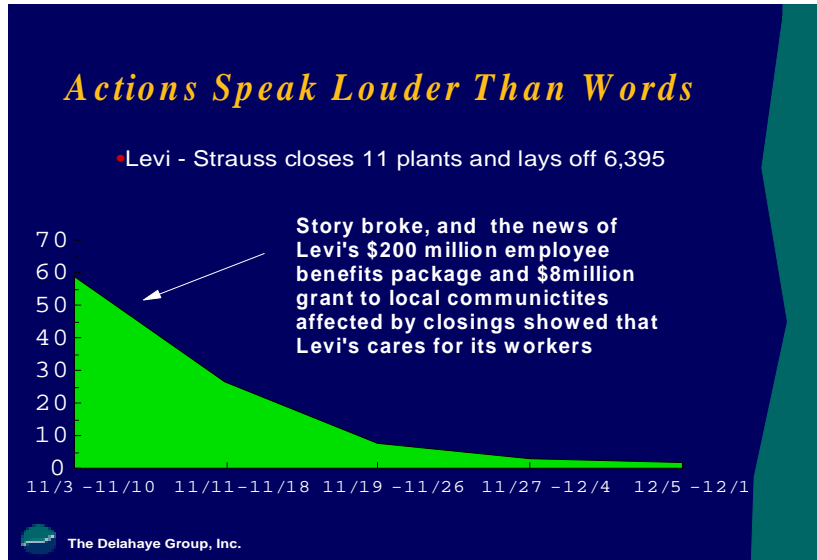
While Nabisco’s story isn’t as dramatic, it proves how the fast thinking on the part of a member of the public relations team saved the day. An elementary school class released a story saying that Nabisco’s Chips Ahoy chocolate chip cookies did not in fact have as many chips per bag as promised. The company immediately sent out a “cookie technician” who traveled to the school in North Carolina to help the class conduct the experiment.. When they conducted the study again, they found more chips than promised and the story was all gone within a week.



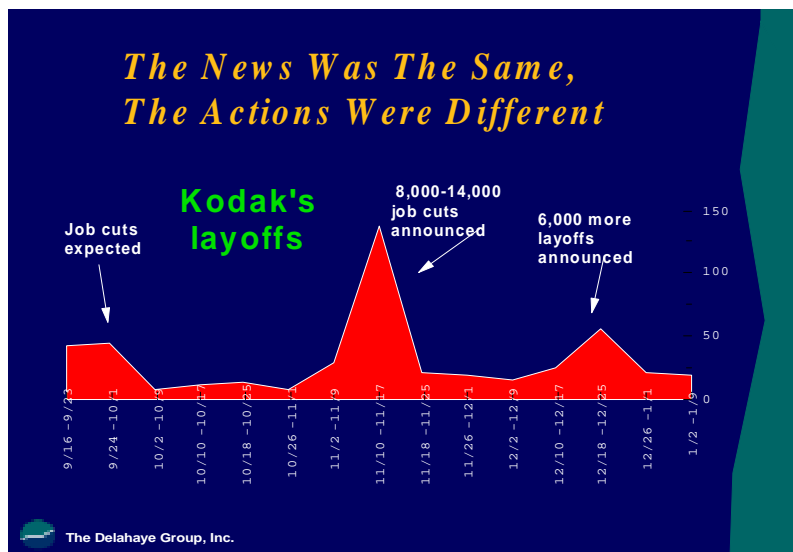
Not so the case of HCA Healthcare that denied and obfuscated its financial results for so long that the story dragged on for months and eventually all of top management was replaced.



In the case of Levi's first-ever layoffs, the company took a novel approach, simultaneously announcing grants to all the communities affected by the layoffs. As a result, their coverage spiked the first week, and steadily decreased after that.



Unlike Levis, Kodak corporation suffered a series of leaks about potential layoffs, eventually announced layoffs, and then had to announce even more layoffs, because the cuts hadn't been deep enough. Again, the result was many many weeks of bad news.



CHECKING YOUR MESSAGING

Looking at volume of clips after the fact is one way to judge how effective your actions were, but just getting the messages out into the world is seldom enough to turn around a crisis. Frequently you need to ensure that those messages are being heard and believed. The best way to check in with your key audiences in a crisis is through overnight polling. One cost-effective way to conduct over night polling is to add a question to an omnibus poll. Alternatively you can commission your own overnight telephone poll which can cost anywhere from \$5000 to \$25,000. However given the cost of “talking” to your audiences via a full page add in the New York Time (\$100,000) the cost of “listening” seems relatively cheap. And compared to the legal, personnel and emotional costs of a crisis, research always represents a relatively small percentage.

A major high tech company under intense fire at a highly visible sports event, was able to ascertain that its key customers were highly supportive of its actions, despite a loud media outcry. The data served to calm executives, and enable the company to make more rational decisions.

CHECKING THE IMPACT

Post-mortem measurement examines not just how well you did at getting messages communicated, but what ultimate impact the program had. Did consumers change their behavior, did employees leave at a higher than normal rate? Did the stock drop? Some of these measures are easy – i.e. looking at the stock price and adjusting for other activity in the market as a whole.

Tracking consumer behavior requires a broader cooperation with the organization. Frequently, consumer data is readily available from your organization’s market research department. There are also many firms that specialize in integrated marketing research. One such firm, Loyalty Builders, (www.loyaltybuilders.com) examines customer transactions to determine the impact of events on customer loyalty. They examine how frequently they purchase, the amount of purchase and the time between purchases and can then plot their data against your crisis data.

Even, if you don’t have “customers” you may still need to check on the ultimate impact of a crisis on your target audiences. That’s what Habitat for Humanity did after a television reporter in Chicago launched an “investigation” of its Chicago office. Concerned that the negative publicity might discourage volunteers from participating or donors from giving to the program, they commissioned Delahaye Medialink to survey the audience to determine what impact it had on Habitat’s reputation. The study showed that thanks to a coordinated and consistent effort to provide facts figures and information, and thanks to the fact that the organization had such strong relationships with its

constituencies to begin with, the negative publicity achieved scant awareness and had no impact on the audience.

Similar data was found when Delahaye Medialink examined long term opinions of a waste disposal company in Texas. The company had sued a television station for libel charging that a negative story about its dumping of sludge wastes had damaged its reputation. In follow up survey research, DM discovered that very few people remembered seeing the show and no one remembered the name of the company. While every crisis differs, such research is critical, no matter what the nature of the crisis, or the nature of the organization, since, ultimately, the best thing that can come of a crisis is learning from your mistakes.

So to get started in setting up your measurement program you should follow these seven simple steps.

1. Define your audiences
2. Define your objectives
3. Define your criteria
4. Decide what you are benchmarking against
5. Decide upon your timing and budget
6. Choose your measurement tool
7. Analyze results for actionable conclusions
8. Repeat (measurement should always be on going)

Step 1: Define our audiences.

The first step is to gather in one room, the public relations, marketing, employee communications managers and anyone else in your organization who can help. List all the possible audiences including: employees, customers/prospects/volunteers/attendees/donors/sponsors, investors or shareholders, the distribution channel, vendors and suppliers, the local constituency, regulators. Prioritize the audiences and get senior management to agree to those priorities long before any crisis hits, because when it does it, you won't have time, and you'll be struggling to keep pace with the events of the day. This is important because these priorities will determine what publications and media outlets you monitor. For example, if major shareholders are your top priority, you'd want to be particularly concerned about what was being said and heard on Wall Street. However, if you were a small non-public business, that was faced with a potential environmental scandal just as plans for your plant expansion were going before the local planning board, tracking what was said in local papers or on the soccer field might be considerably more important..

Once you've identified and prioritized your audiences, you need to determine how a good relationship with each of those audiences benefits the organization. It might be that a good relationship does nothing more than prevent law suits, or it may be that the relationship in some ways results in sales. Either way, you need to articulate what the specific benefits are of your efforts. Because if in fact the relationship turns bad and the benefits go away, then you need to quantify the failure as well.

From this second list of benefits, you can now create specific criteria against which you can measure your success. Criteria are the hard numbers, complete with time frame. i.e. "communicate key messages in x% of all articles," or keep negative messages to no more than 10% of all coverage.

The next important element to establishing your measurement program is determining who or what you are comparing yourself to. In crisis, typically an organization measures its own progress over time. However, it can be significantly more revealing to measure a crisis against some other "control" group. For example, a study of an airline in crisis looked at its coverage in its home town paper versus coverage in five other cities. The study revealed that, in contrast to assumptions of the CEO, the local paper actually covered the airline more favorably than papers in other cities, because it tended to provide more in-depth stories, rather than just the negative financials. A similar study compared a company in crisis to other companies in the same town and revealed just how negative the company's coverage truly was.

Now that your organization has agreed upon the audiences, objectives, and benchmark points, you need to establish a budget. The general rule of thumb is to allocate 5 – 10% of your budget to measurement, but in crisis, it could be significantly larger depending on the issues and the complexity of the situation. The important point to remember is that good measurement can help you shorten the duration of a crisis, and if it does, is cheap money compared to the cost of rebuilding your reputation.

The most important part of the measurement process is to analyze the data for what you can learn from it. What are the actionable points, how can you change and improve? What needs to be done TODAY? What should you react to? What should you ignore? These insights and recommendations ensure that your measurement system is perceived as worthwhile. And it will become more so if you continue the program after the crisis is over. Measurement should always be ongoing and an integral part of your organizational strategy.