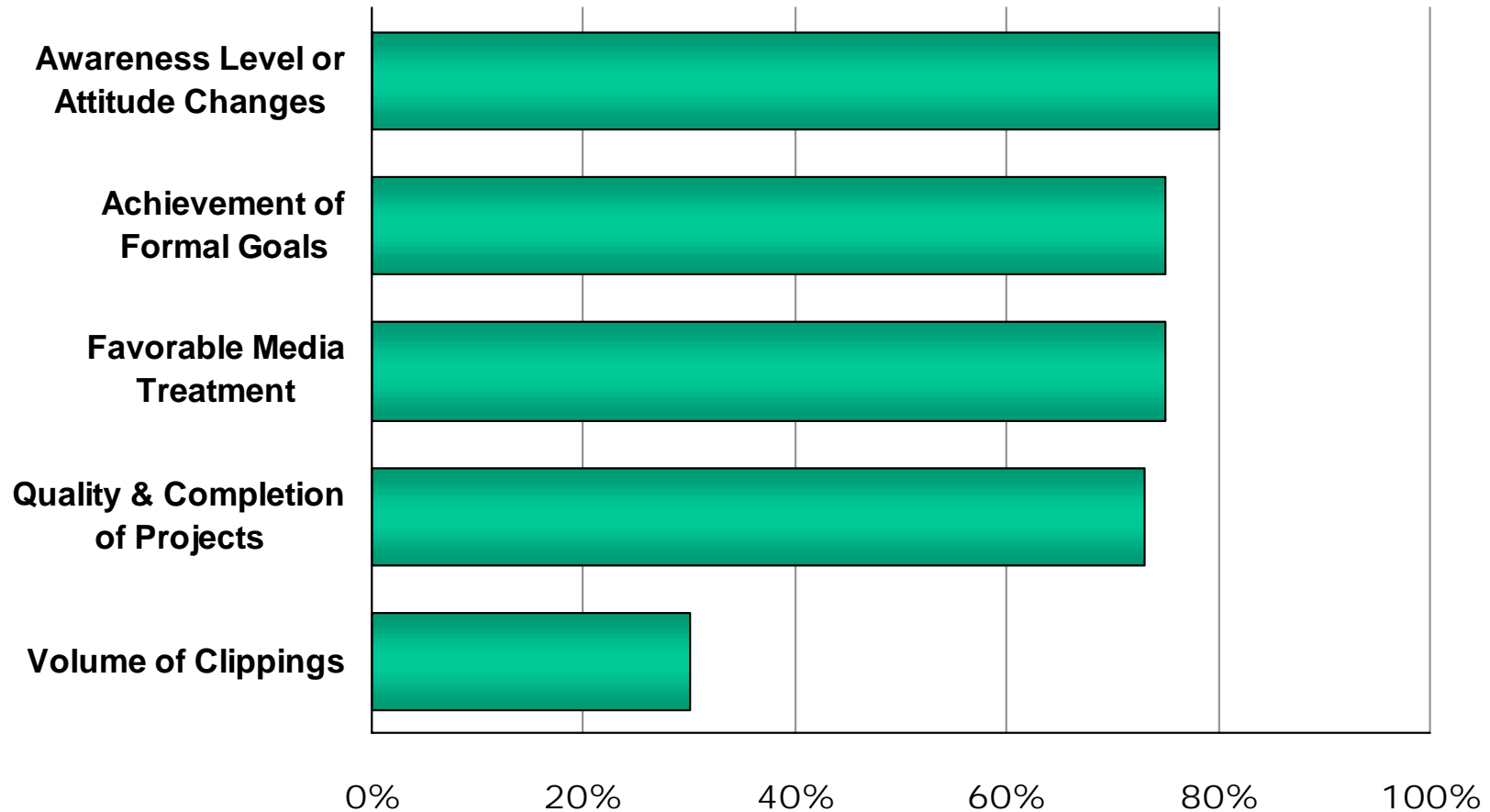


PROVING THE BOTTOM LINE IMPACT OF MEDIA RELATIONS

Conducted by
Mark Weiner, EVP
mweiner@delahayemediaLink.com
(203) 899-1600
www.delahayemediaLink.com



How CEOs Measure PR Success



PR Is Now And Will Be More and More Important

400 marketing, advertising and PR executives at Fortune 500 companies believe:

- Mass-Market advertising and promotions are in decline
- PR has the most to gain if it can demonstrate return on investment



The Current Landscape

- PR is more important than ever
- PR is more visible than ever
- PR has more to protect and defend than ever

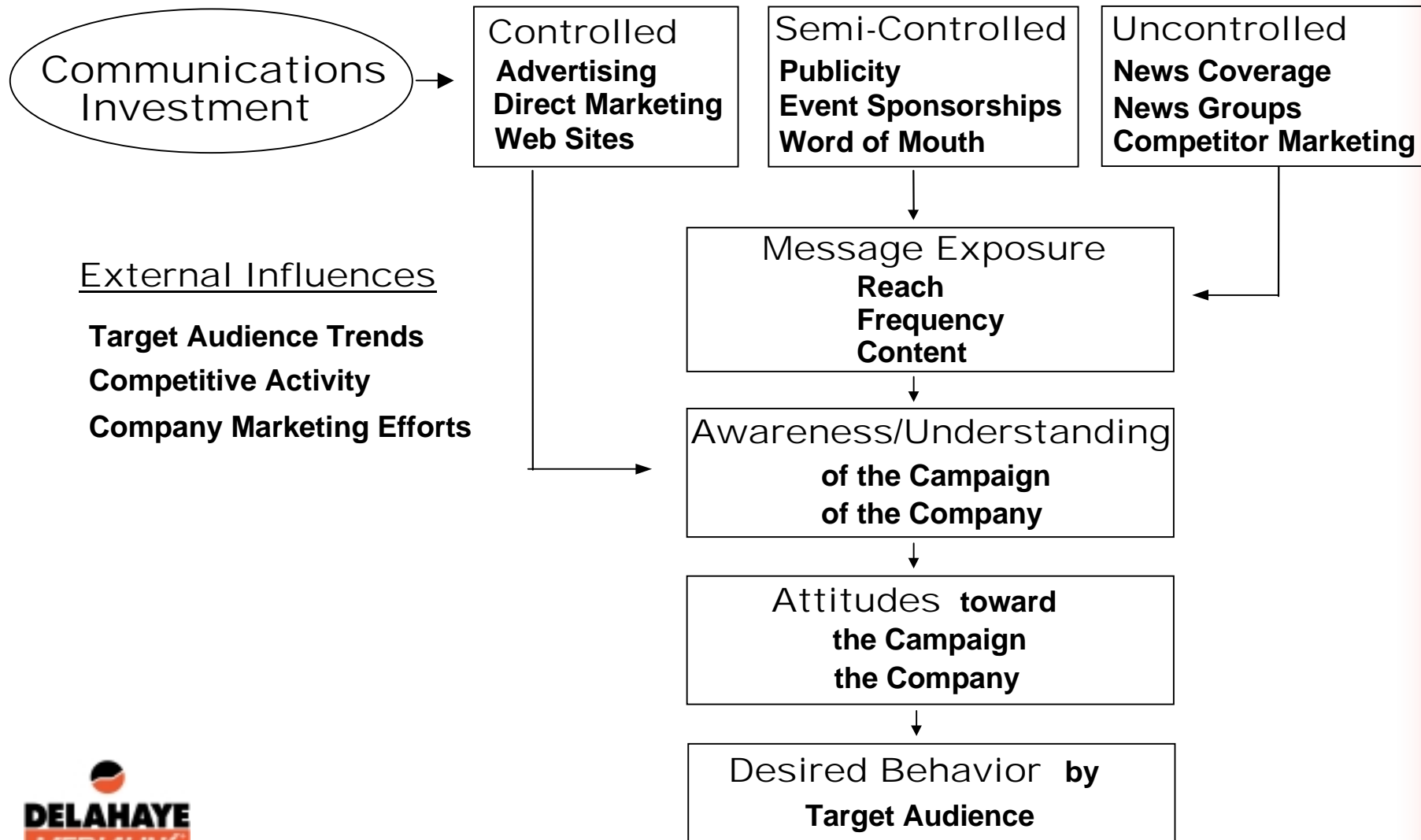
■ Pinpointing ROI

- Then: Volumetric - How much
- Now: Directional - Did we spend our money wisely?
- Tomorrow: Scientific - How many boxes of cereal did PR sell?

Tools for Measuring PR

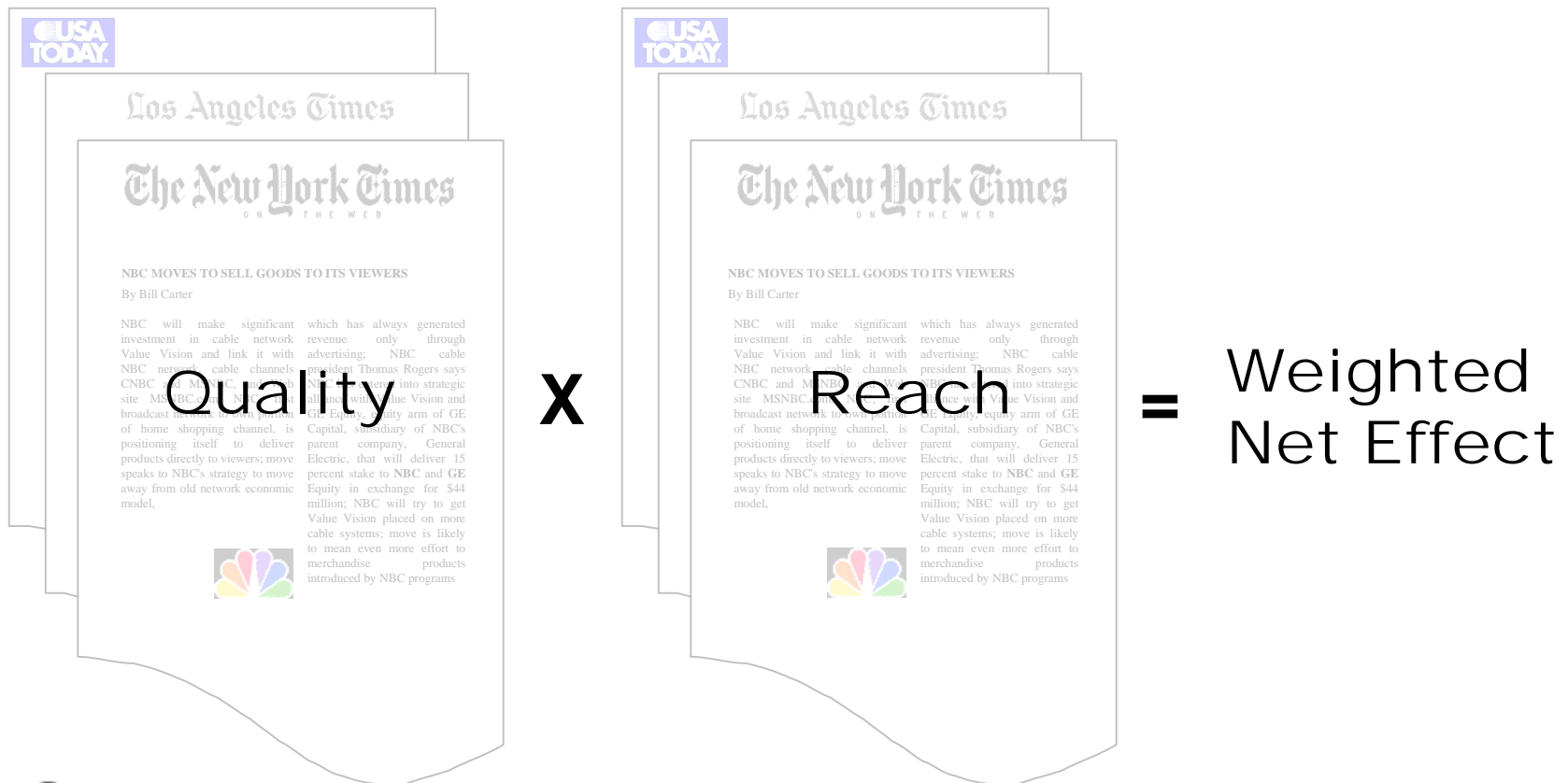
- Traditional and New Media Content Analysis
- Survey Research

The Communications Mix



How The Analysis Was Conducted

Analysis Criteria





How The Analysis Was Conducted

Impact Score Factors

- *Front page / cover*
- *Prominence*
- *Initial mention*
- *Extent of mention*
- *Dominance*
- *Visuals*
- *Tone*

How The Analysis Was Conducted

It begins with a story ...

Electronic Media (page 1A)

July 31, 2000

GE shines bigger light on Wright

Bob Wright, NBC's longtime president and CEO, will play a more weighty role in shaping the future of NBC and its corporate parent, General Electric Co., as newly appointed vice chairman of GE. "I was very surprised," Mr. Wright told Electronic Media Friday following a GE board meeting at corporate headquarters in Fairfield, Conn.

Since Mr. Wright also continues as president and CEO of NBC, analysts said he will be in a more lofty position to shape NBC in ways that, until now, have not been possible. Industry analysts say Mr. Wright's appointment further entrenches NBC into GE and will abate speculation that GE might sell the media giant. In fact, at some point after current GE Chairman and CEO Jack Welch retires next year, Mr. Wright may be in a better position to convince GE to spin off NBC to create a stock that could be used to expand the network's scope and scale. Such a move would need to preserve GE's majority ownership in NBC, according to GE

insiders. Mr. Wright declined comment on that possibility as well as the possibility that NBC may resume talks with USA Networks about an alliance, merger or acquisition. Mr. Wright played down analysts expectations of his new role. "I'm staying in New York with NBC," he said. "I'm not moving to Fairfield, so right now my focus is still at NBC. There will be other assignments and duties I'm going to have to get involved in. But those are not meant to take away from NBC at all." he said. NBC is an 11 percent contributor to GE's annual revenues and a major driver of GE's \$13 billion in annual earnings. "One of the reasons NBC and GE are so successful is that they have become growth companies," Mr. Wright said. "That's my agenda." Mr. Wright has been frustrated in his efforts to align NBC-the only broadcast network without studio ties-with larger players because any major acquisition or merger would have a diluting impact on GE stock. Instead, Mr. Wright has grown NBC organically by leveraging off its existing broadcasting and cable assets. He has been aggressively pushing internally for NBC units to extend and build their businesses for the interactive age.

<u>Measure</u>	<u>Score</u>
Extent of Coverage	Significant
Front Page/Cover	Yes
Headline	Yes
Visual	No
Dominance	Exclusive
Initial Mention	Lead Paragraph
Editorial Tone	Very Positive

Impact Score
65.7

How The Analysis Was Conducted

Multiply reach by Impact Score ...

Electronic Media (page 1A)

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Electronic Media

Circulation

28,172

Impact Score

X 65.7

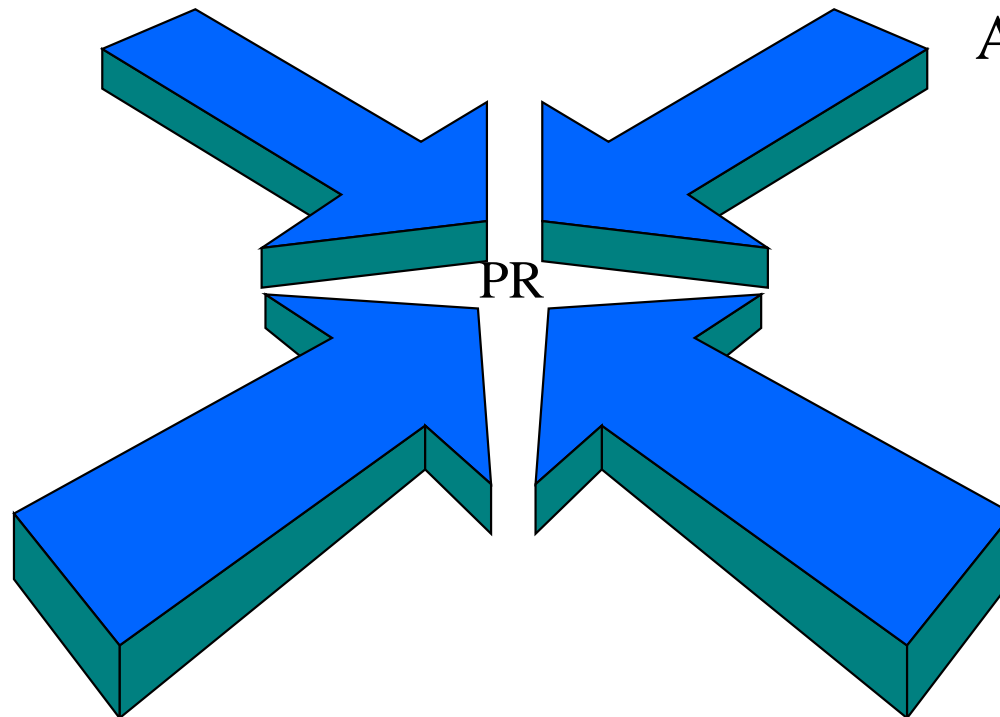
***Weighted Net Effect =
18,509***

Positive Potential Impressions

Integrating the Media Analysis

Electronic Media
Advertising

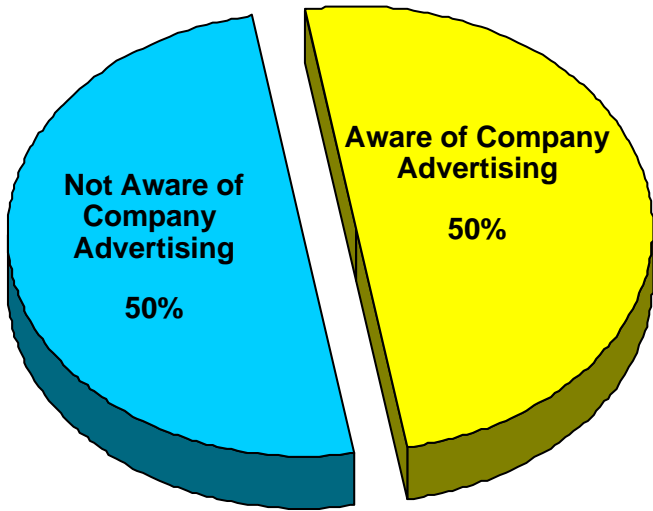
Print Media
Advertising



Direct
Mail

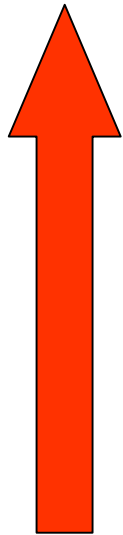
Telemarketing

Advertising Can Show That Awareness Is Associated With Perceptions



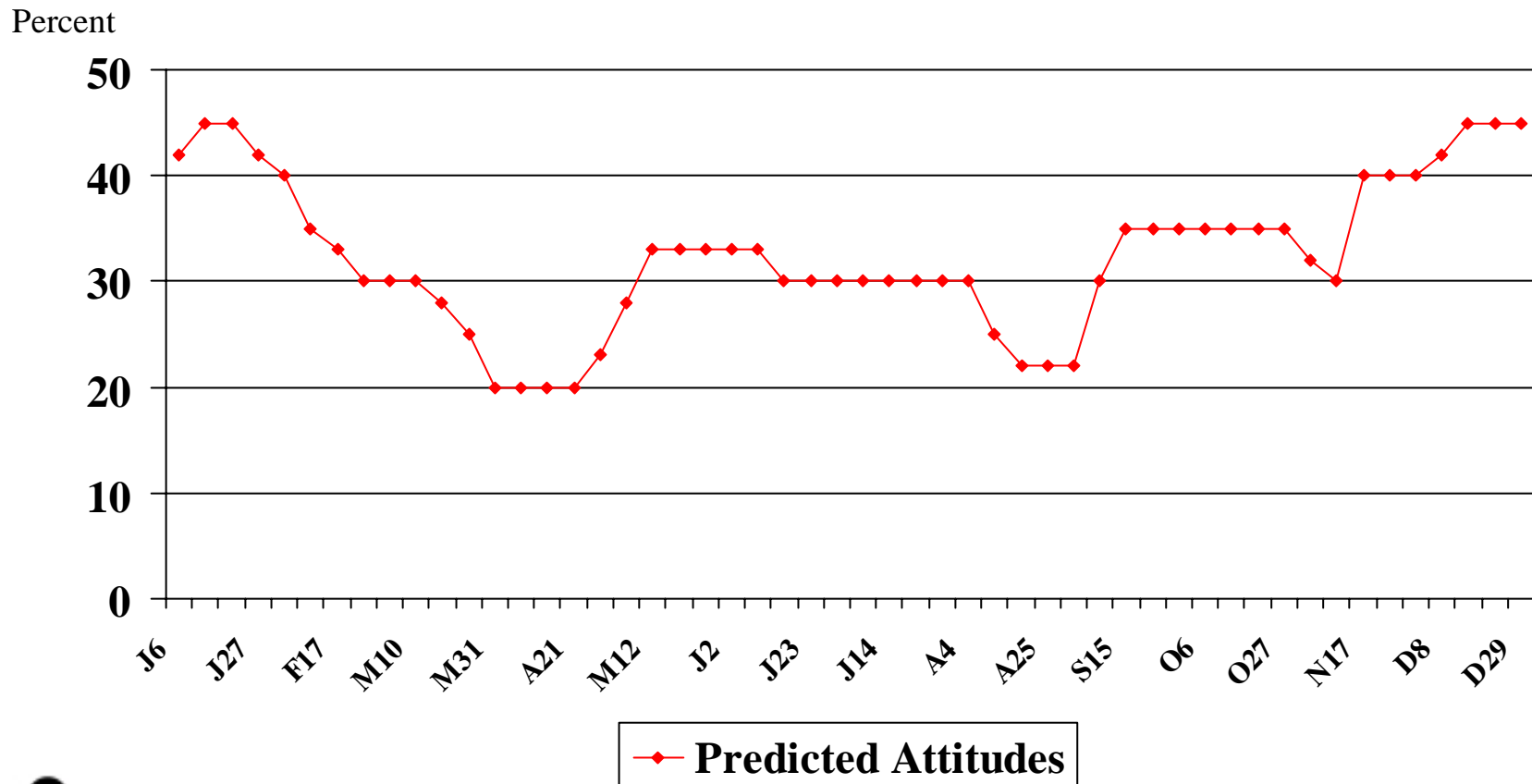
Illustrative AT&T data, 1999.

	Aware of Co. Advertising	Not Aware of Co. Advertising
Value	60	51
Ubiquity	75	68
Prices	61	53
Innovation	70	54
Billing	50	42
Reputation	68	52
Trust	65	54
Service	60	49
Quality	70	67
Simplicity	50	39



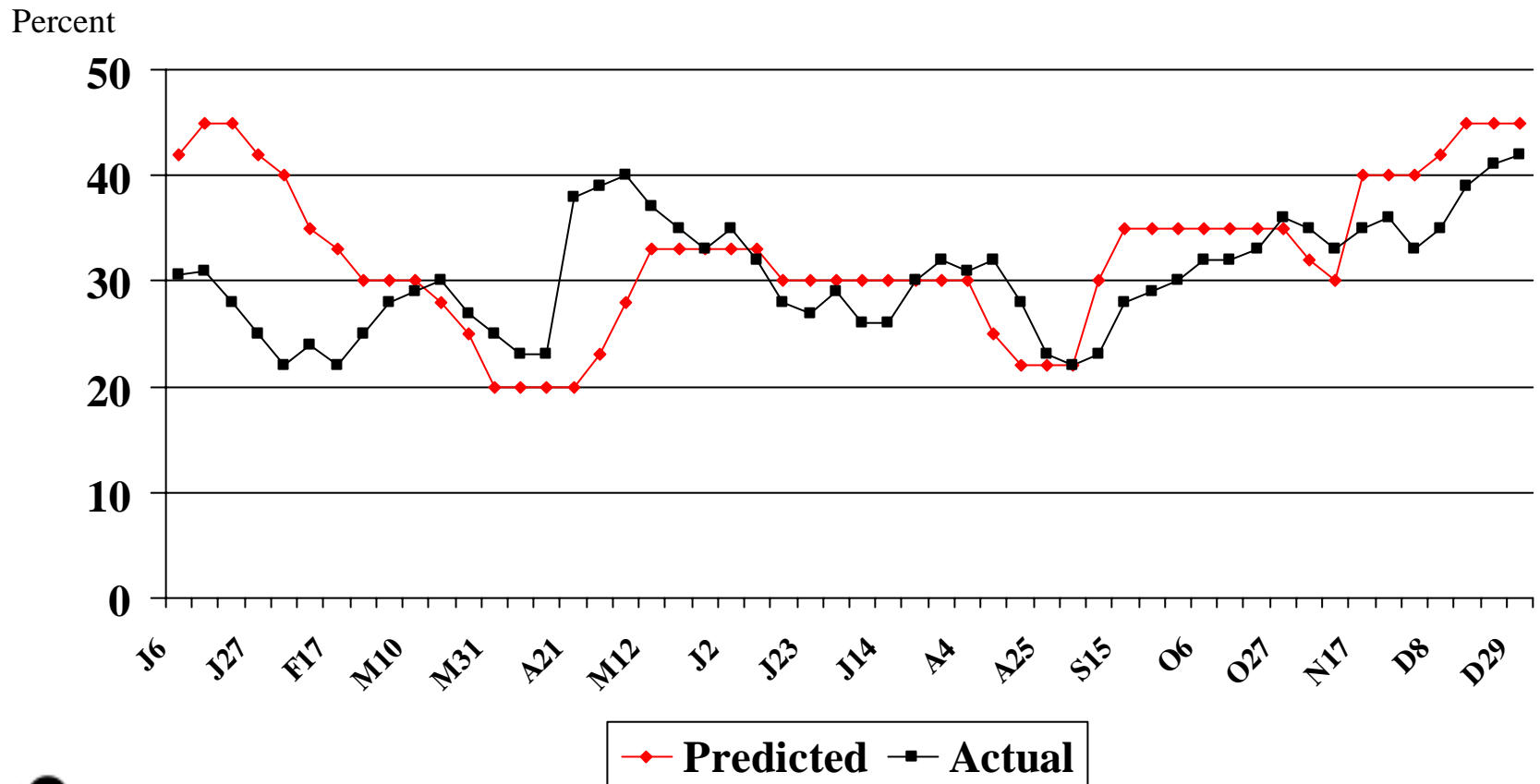
With Enough Observations, a Predictive Model Can Be Built

E.g. Loyalty attitudes



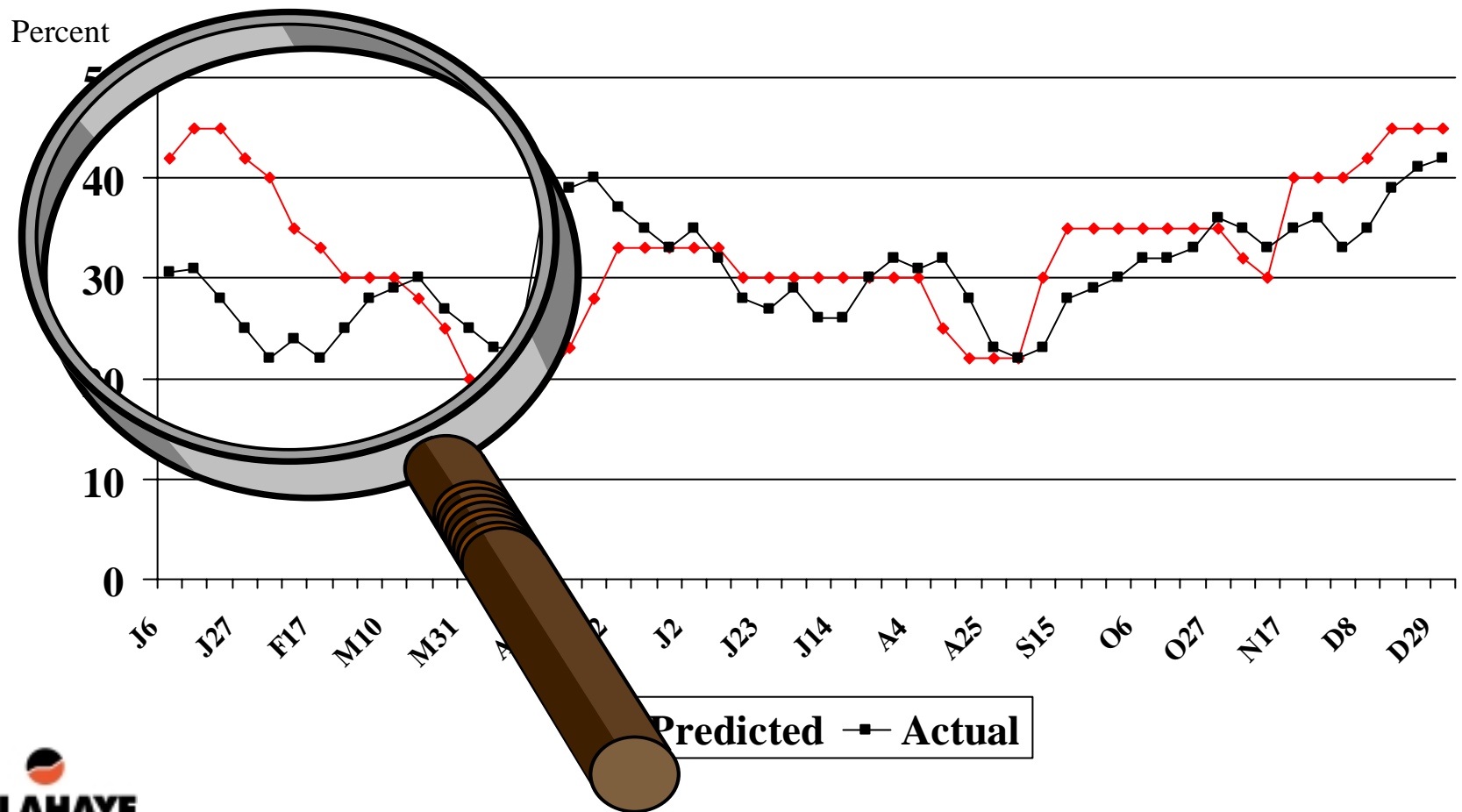
Using Ongoing Surveys, the Predicted Is Compared to the Actual

E.g. loyalty attitudes



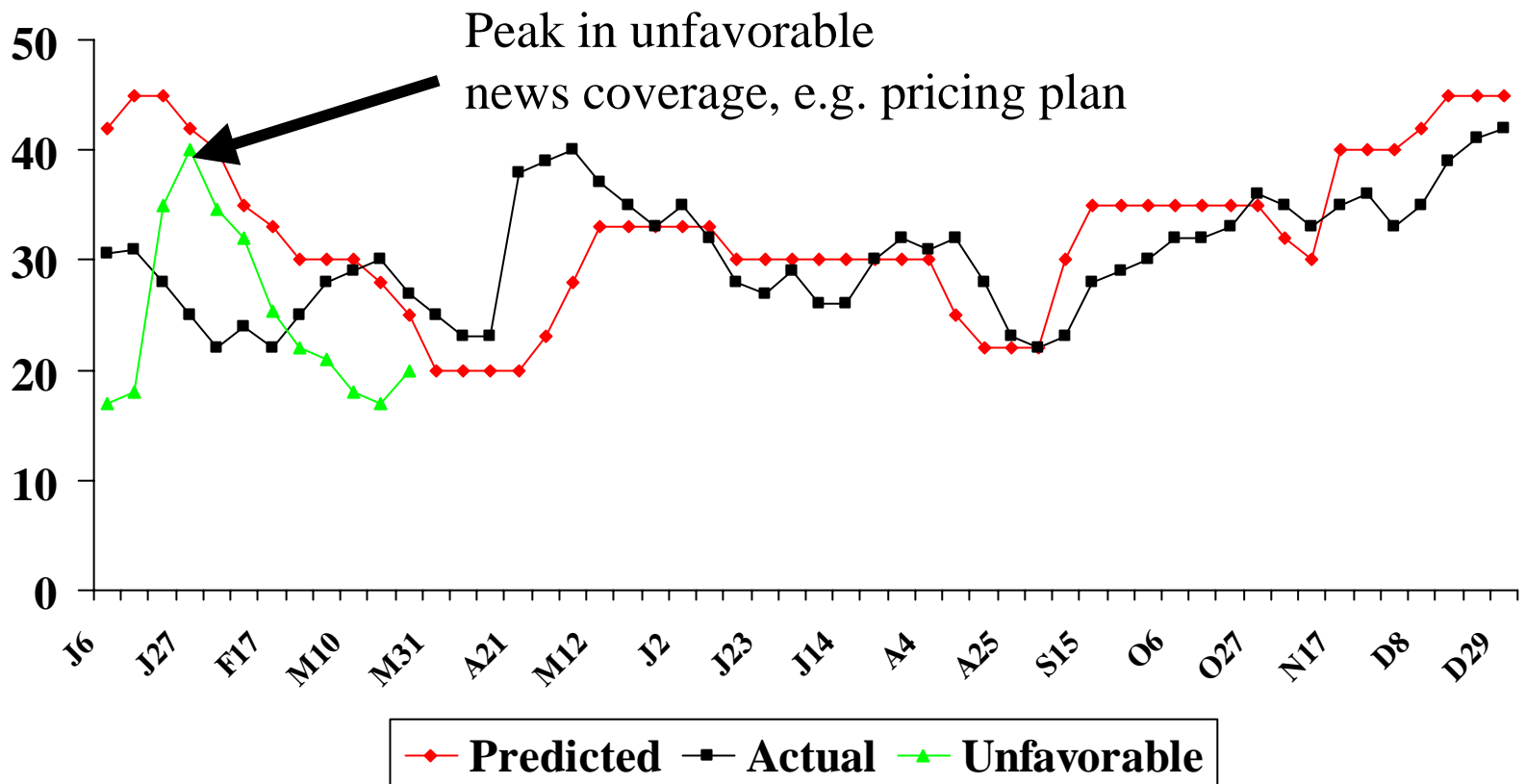
Usually Gaps Are Found

In this case loyalty actuals being lower than predicted



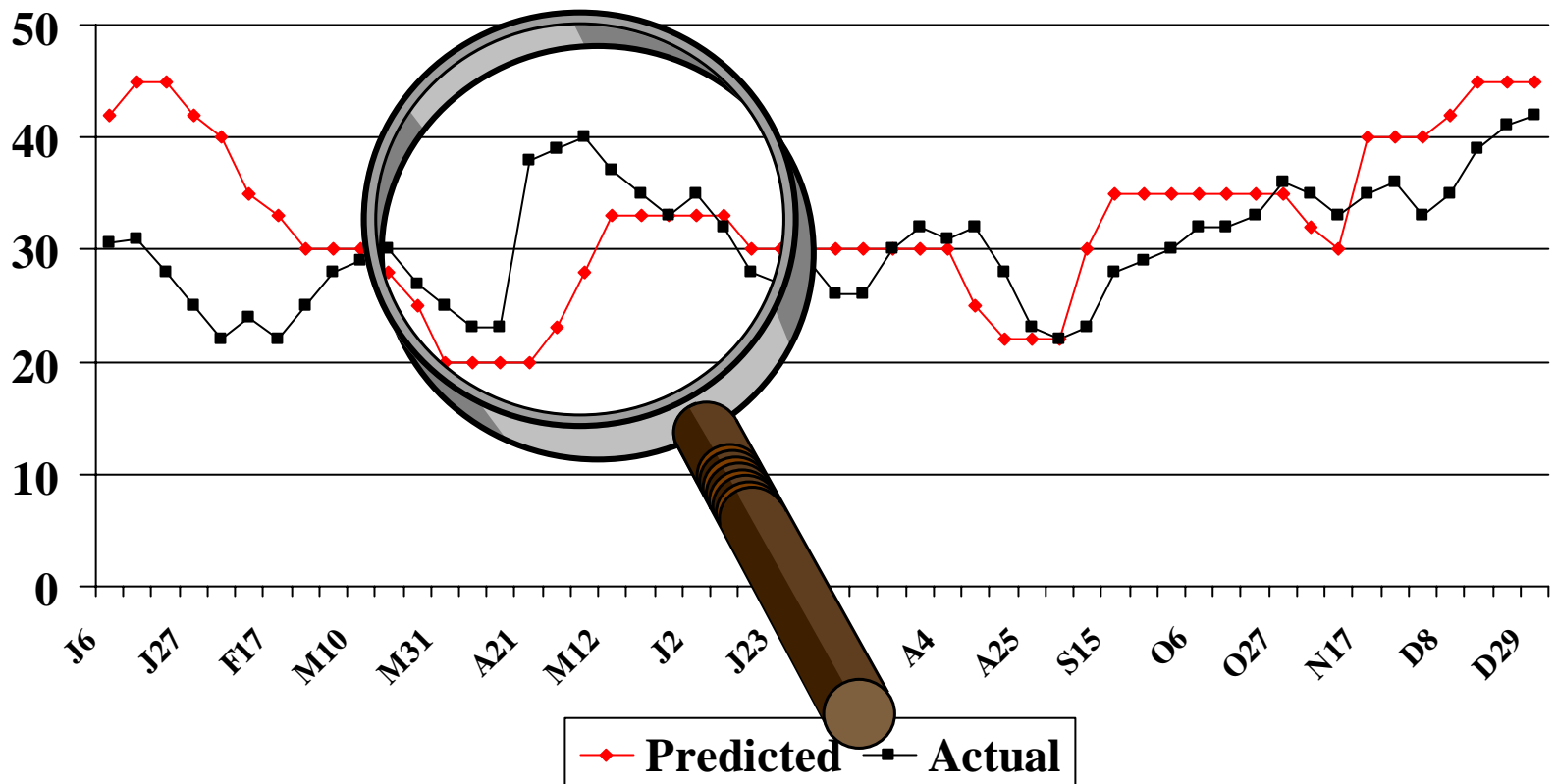
Predicted vs. Actual Loyalty

(Based on GRP/Loyalty model)



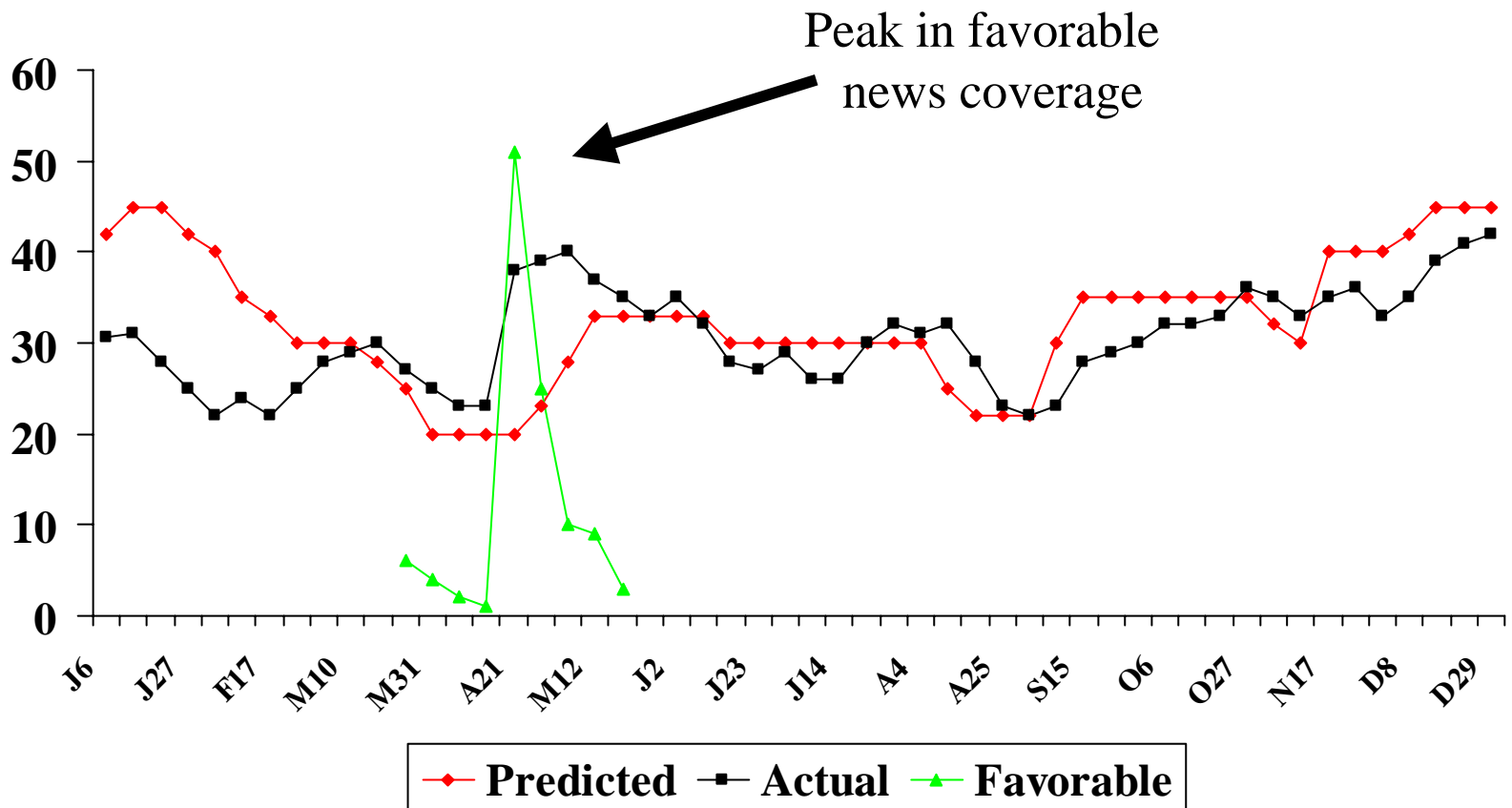
Another Glaring Gap

Loyalty actuals higher than predicted



Predicted vs. Actual Loyalty

(Based on GRP/Loyalty model)



Among Those Unaware of Slamming Stories, ATT Ads Work As Expected

<u>Not Aware of "Slamming" Stories</u>		
	<u>AT&T Ad Aware</u>	<u>Not AT&T Ad Aware</u>
Value	55	47
Ubiquity	73	64
Prices	65	46
Innovation	66	51
Billing	50	42
Reputation	50	49
Trust	61	50
Service	50	44
Quality	73	63
Simplicity	45	35

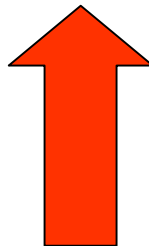

**Perception data and ad awareness obtained from Ad.Visor tracker in fall '98.*

But Among Those Aware of Slamming Stories, ATT Ads May Be Harmful

	<u>Aware of "Slamming" Stories And Felt "Slamming" Has Some/Great Impact</u>		<u>Not Aware of "Slamming" Stories</u>	
	<u>AT&T Ad Aware</u>	<u>Not AT&T Ad Aware</u>	<u>AT&T Ad Aware</u>	<u>Not AT&T Ad Aware</u>
	Value	45	46	55
Ubiquity	60	60	73	64
Prices	42	47	65	46
Innovation	52	53	66	51
Billing	40	41	50	42
Reputation	44	52	50	49
Trust	40	49	61	50
Service	41	40	50	44
Quality	60	62	73	63
Simplicity	33	34	45	35

News Stories Apparently Have A Positive Impact on Perceptions*

Heavy news consumers had much more positive perceptions than lighter news consumers

	<u>Heavy</u>		<u>Lighter</u>
Value	59		41
Ubiquity	70		66
Prices	62		54
Innovation	65		57
Billing	48		42
Reputation	55		45
Trust	68		46
Service	54		47
Quality	75		64
Simplicity	49		36

Ads Work On Light News Consumers During Times of Heavy Positive Coverage

	<u>Heavier News Consumers</u>		<u>Lighter News Consumers</u>	
	<u>AT&T Ad Aware</u>	<u>Not AT&T Ad Aware</u>	<u>AT&T Ad Aware</u>	<u>Not AT&T Ad Aware</u>
Value			45	38
Ubiquity			71	64
Prices			62	48
Innovation			63	52
Billing			47	38
Reputation			49	45
Trust			58	41
Service			51	45
Quality			67	61
Simplicity			41	33

Advertising Adds Little To Heavy News Consumers When Positive Coverage Is Up

	<u>Heavier News Consumers</u>		<u>Lighter News Consumers</u>	
	<u>AT&T Ad Aware</u>	<u>Not AT&T Ad Aware</u>	<u>AT&T Ad Aware</u>	<u>Not AT&T Ad Aware</u>
Value	57	63	45	38
Ubiquity	71	74	71	64
Prices	61	60	62	48
Innovation	68	59	63	52
Billing	48	48	47	38
Reputation	49	63	49	45
Trust	67	69	58	41
Service	55	55	51	45
Quality	75	75	67	61
Simplicity	49	47	41	33

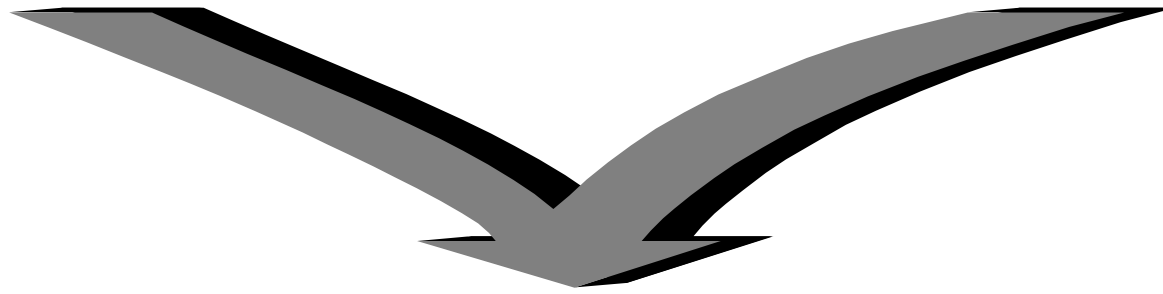
Current Modeling Work

Advertising

DM

TM

News



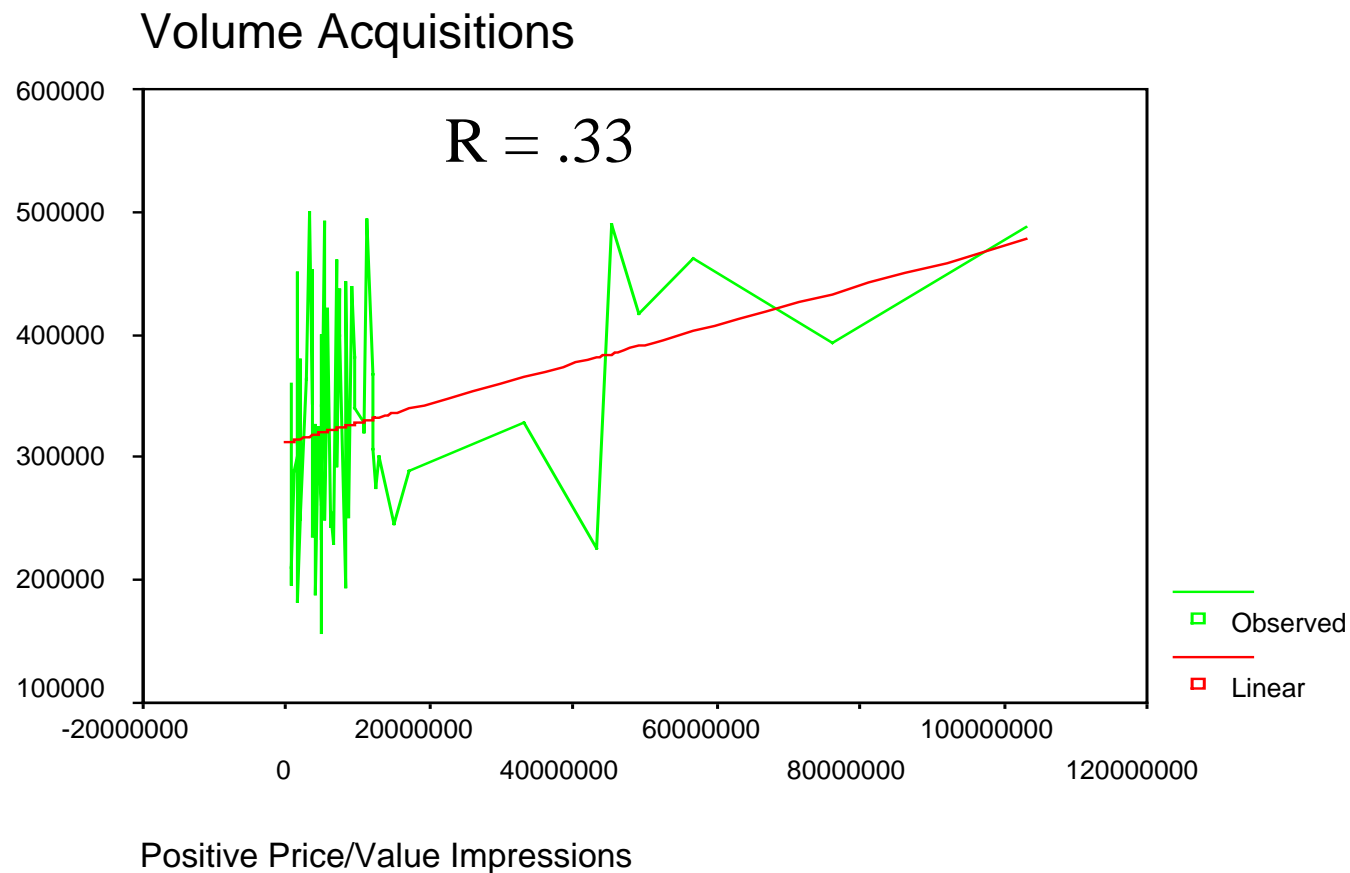
Acquisitions

Losses

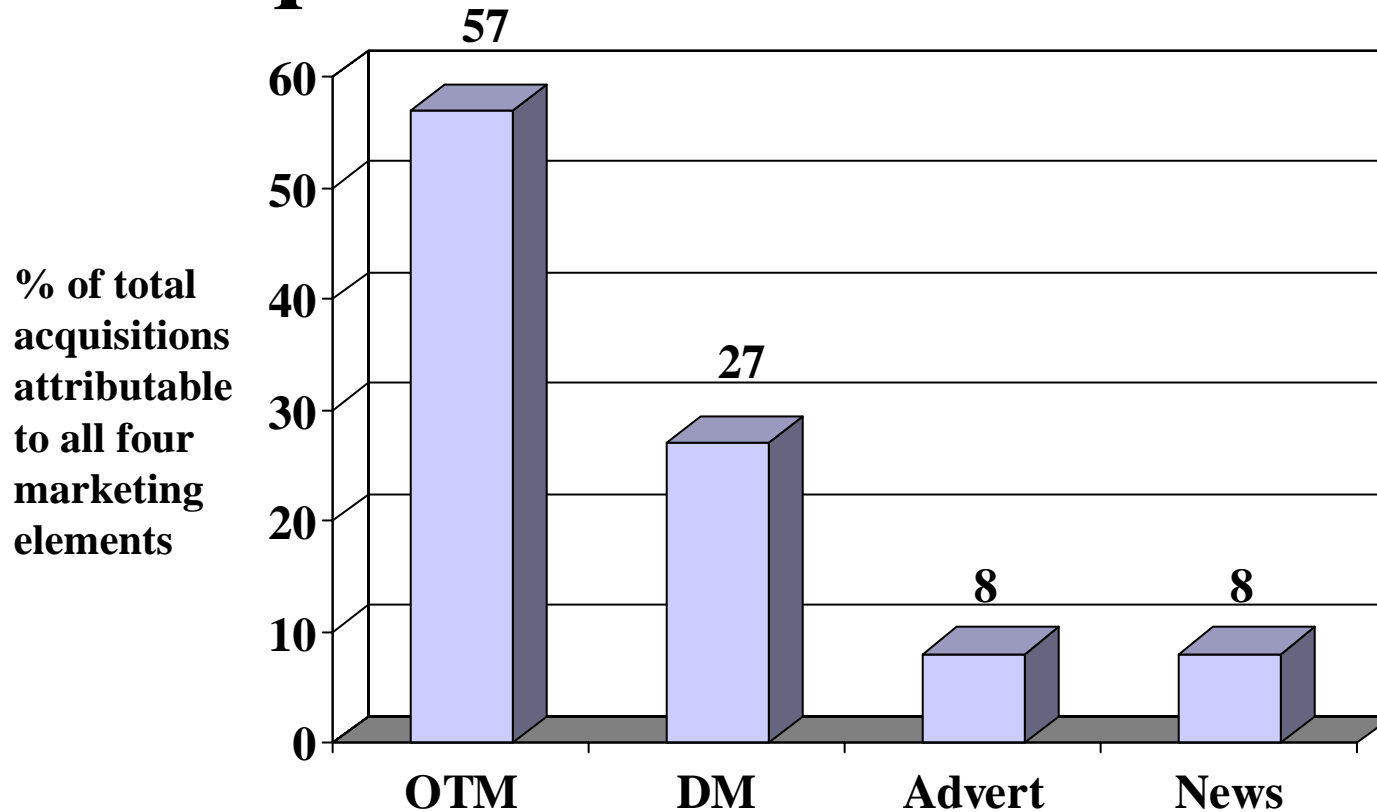
Perceptions

Attitudes

Correlation: LD Acquisitions and Positive Price/Value News Impressions



Impact of Four Marketing Elements on Acquisitions



% of total acquisitions attributable to all four marketing elements

Secondary effects of News and Ads on OTM as well

News Coverage Is The Most Efficient Means to Increase Customer Acquisitions

Cost per Acquisition by Channel (Illustrative data)

- Cost per Acquisition via OTM: \$ 63
- Cost per Acquisition via Targeted ITM: \$ 103
- Cost per Acquisition via Non Targeted ITM: \$ 47
- Cost per Acquisition via Advertising: \$ 95*
- Cost per Acquisition via Price/Value PR: \$ 15*

* Cost does not take into account lift to OTM yield from news coverage and advertising.

Source: AT&T data for OTM and ITM. Cost for news coverage is based on AT&T PR budget and Ad.visor Marketing Mix Model. Cost for Advertising is derived from the model, using an average cost per GRP of \$10,000.

Conclusions

- **Advertising and news coverage each have their own impact:**
 - *In “normal” times they reinforce each other*
 - *In times of extremely positive and widespread news coverage, advertising doesn’t help that much*
 - *In times of extremely negative and widespread news coverage, advertising doesn’t help and may hurt*
- **News coverage can have a substantial impact on consumer behavior, on par with advertising**

Implications

- **PR and Advertising should talk**
 - *Save money*
 - *Deliver more powerful marketing communications*
- **News coverage impacts the investment made in advertising and other communications**
 - *Expert management of media relations is critical to protecting and leveraging this investment*

■ Tomorrow is Here Today

- PR is as much science as it is art
- PR's ROI within the marketing mix is quantifiable
- Advancements foster creativity
- Changes are happening with us or without us: adapt, lead or get out of the way



Questions? Please Contact Us:

Set Up An Appointment To Discuss How To Prove and Improve Your PR Return-On-Investment

- **Call** Beth Roed at **800-926-0028**
- **Email** info@delahayemedialink.com
- **Visit** www.delahayemedialink.com to download sample reports, case studies and service profiles
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- **Attend** a future *Measurement Dialogue* found at <http://www.delahaye.com/syseri.cfm>

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• Since 1964, the people behind Delahaye Medialink (www.delahayemedialink.com) have been combining research technique, technology and insight to help companies understand and improve their reputations, plan and evaluate their communications programs and sharpen their competitive edge worldwide. Whether communicating internally or externally, via broadcast, online or print media, Delahaye Medialink provides research to accurately assess communications performance and the advice to execute successful communications programs. Delahaye Medialink, with offices in Norwalk, CT, Portsmouth NH, and London, England, is a division of Medialink Worldwide Incorporated (Nasdaq: MDLK).

• Medialink (www.medialink.com) is a global leader in providing comprehensive and compelling multimedia communication solutions and services for more than 2,500 corporations and other organizations seeking to communicate news to their audiences through television, radio, print and the Internet. The company provides production and satellite distribution of video and audio news, multi-media webcasting services, press release newswire distribution, photography production and digital distribution, and strategic corporate communications consulting. Medialink also provides media monitoring and analysis and public relations research to help clients determine return on investment from their communications efforts. Based in New York, Medialink has 15 offices worldwide including an international hub in London.