MEASURING BOTH HALVES

THE MEASUREMENT AND EVALUATION OF GOVERNMENT COMMUNICATION IN THE CONTEXT OF CHANNEL SHIFT

Guy Dominy &
Kevin Traverse-Healy
"Seeing More Clearly"

GRANICUS

MEASURING BOTH HALVES

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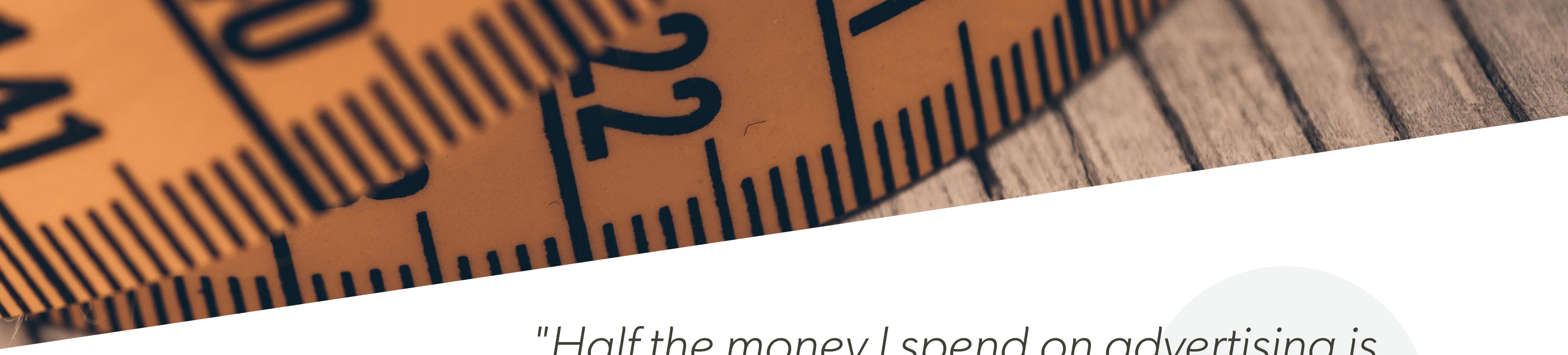

"Half the money I spend on advertising is wasted; the trouble is I don't know which half."

[1]US RETAILER JOHN WANAMAKER

1. INTRODUCTION

Measuring and placing a value on communication has challenged practitioners since the times of marketing pioneer John Wanamaker, and continues to do so. However, today it is often not the technical ability to measure and evaluate that is the real challenge but the commitment to do so.

There has been a growing need and desire within the public sector to show the worth of communication activities – driven not only by the need to justify expenditure but also the desire to know what works and what does not. In central government, the rigours of obtaining consent for communication and social marketing expenditure through the Cabinet Office's Efficiency & Reform Group process has given a new primacy to planning for, and showing value for money, across all the tools of communication – with a priority mandated towards 'digital by default'.

John Wanamaker - Photo courtesy of Wikipedia

In this Granicus white paper we look at how the public sector can measure and place value against communication with its various audiences. We pay particular attention to the role of email but have observations across the communication delivery board.

This paper begins with setting out some principles and the benefits of a structured approach before addressing what to measure. We then consider what we believe, and what we found anecdotally talking to users, to be the three main issues users face: linking offline behaviours with your online activity; attributing impact - i.e. what difference did the online activity actually make; and, last, how to place a financial value on that impact. In doing so, we recognise that this is a fast developing arena, with a number of pioneers coming up with new ways of measuring and new uses for some older ways. We pay tribute to the amount of effort that is being placed against this subject by many players, in both central and local government and in the commercial sector, and hope that our contribution will bring a few new ideas to your table.

We finish with some conclusions and suggestions for next steps. Our main conclusion is that the inclusion of verifiable and insightful measurement and evaluation of communication activities may once have been a 'nice to have' but is increasingly a 'must have'.

But, first, we begin by setting out the context for this paper.

[1] Attributed to US retailer John Wanamaker (1838 – 1922)

2. CONTEXT

CHANNEL SHIFT

In his white paper for Granicus, “Channel Shift: Realising the Benefits”[2], Dr. Gerald Power concluded that the potential savings from channel shift are real and significant; that realising benefits depends on targeting the channel shift effort to processes, customer groups and services where it will yield benefits (and that not all channel shift has the potential to do so); and, more radically, that in order to achieve effective digital self-service, organisations have to re-think how they use communication to support digital self-service processes, manage demand and bring customers to the new self-service channels.

In the two years since his paper, the channel shift figures that Dr Power used to support his case have continued to grow and we find no reason to question his conclusions.

However, while it appears that the benefits of channel shift are almost universally accepted, according to one recent survey many public sector bodies still consider themselves “at the early stages”. The same research suggested that lack of senior management engagement can be an issue and that “educating senior management on the financial benefits of channel shift can result in swift and enthusiastic buy-in”[3].

Our qualitative research for this paper supported this. Showing the monetary benefit of channel shift, not only at inception but onwards from there, is a growing pressure and this is the element in the channel shift equation that we address here.

EVALUATING COMMUNICATION

Our experience is that just about everyone in public sector communication supports the concept of measurement and evaluation of their activities but that many are held back from practicing it through either lack of resources (specifically both time and money) or a lack of knowledge as to which processes and metrics to use.

There are also a minority, it must be said, who retain a ‘leave well alone’ attitude – preferring not to face the challenge of undertaking the work or the spotlight that it might place on the worth of their activities.

So, assuming that those reading this paper are among the former group, where should we start?

3. KEY PRINCIPLES + A STRUCTURED APPROACH

Our experience suggests that the evaluation of communication benefits from (1) some key principles being in place and (2) a structured approach.

FIRST PRINCIPLES

Various sets of ‘first principles’ have been produced but we feel that those articulated in the Government Communication Network (now Government Communication Service - GCS) guidance published in 2012[4] provide a sound basis for the evaluation of communication.

- **P** Pragmatic - best available within budget, not best ever
- **R** Realistic - prove what you can, acknowledge what you can’t
- **O** Open - record and share as much as possible
- **O** Objective - be honest and constructive about results, so we can learn for the future
- **F** Fully integrated – integral part of communication planning and delivery, not an add-on at the end

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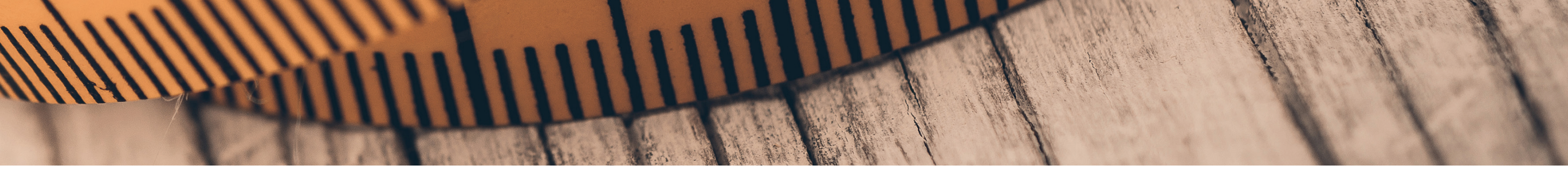
[2] Power, G. (2012) Channel Shift: Realising the Benefits. Granicus

[3] iGov (2014) Local Government Channel Shift Strategies Survey Report 2014. GOSS

[4] https://gcn.civilservice.gov.uk/wp-content/uploads/2014/08/GCN-Evaluation-Bookv6.pdf



PRAGMATIC:

Achieve what you can within your restrictions, such as data cost, budget, etc. Some evaluation is preferable to no evaluation – do what you can, not what might be ideal. Measurement should be as comprehensive as is possible but pragmatic: "measure what matters". However, pragmatism should not be an excuse for measuring only what is convenient or favourable.

REALISTIC:

Although you should aim for proof to substantiate as much as you can, there may be things you cannot measure. Admit them but don't let that stop you.

OPEN:

Evaluation is essentially about learning – and that learning should not just be reported (as is often required) but also shared with others who could benefit from your knowledge.

OBJECTIVE:

Evaluation is finding out what worked and what did not - and at what cost to what benefit. Therefore, be objective and straightforward in acknowledging both the failures and the successes.

FULLY INTEGRATED:

Making measurement and evaluation part of the planning process not only makes it more effective but also makes it easier to achieve better results. By integrating measurement and evaluation into your planning process, you also get better plans. And if you do not, you may well miss the opportunity to measure the right things.

Measurement and evaluation should be introduced at the earliest stage of planning – preferably before decisions have been made as to behaviour change models, audiences, messages, channels and budget. The timing of actual measurement will vary depending on the nature of the intervention but should include wherever possible "before, during and after" measurements. Without a fully integrated approach it is easy to miss the opportunity to measure before your activity (benchmarking).

A STRUCTURED APPROACH

FIG. 2

We have found that the second element that helps evaluation efforts is a structured approach. Again the guidance drafted by GCS provides a simple but useful model – OASIS (Objectives, Audience Insight, Strategy, Implementation and Scoring (evaluation) This helpfully highlights the importance of embedding evaluation in your initial strategy and communication planning.

We have also found it useful to consider how you might break down what is involved in the evaluation itself. We have found a four-stage approach useful:

Identify and agree scope.
Design the evaluation plan.
Carry out measurement/ monitoring.
Analysis and report on findings.

The first stage is the identification of the scope of the project. Here it is vital to confirm and agree (1) the purpose of the communication you are evaluating and (2) the purpose of the evaluation.

Evaluation should be conducted based upon reference to the original purpose, intentions and expectations of the intervention (objectives). This means setting

SMART objectives (for both the overall programme and its communication elements) and managing the interventions to those objectives is crucial. Communication must ultimately justify its resources by reference to the final outcomes specified – and achieved – by the policy/business. The evaluation should include reference to the social value of achieving those intentions and the costs incurred in doing so.

The second stage, the development of the evaluation plan, is where you decide what to measure (your 'indicators' or 'metrics') and how to measure them. How much and what to measure will be a decision made that takes into account the benefit of measuring – in terms of the value of the information gained – and elements such as difficulty and cost.

The general rule is to measure as far along the chain of delivery from your communication input to the achievement of the overall desired outcomes as is reasonably possible. We discuss this in more detail below.

The third stage is the actual measurement and the fourth stage is the analysis and reporting. In this paper we focus primarily on the second stage, deciding what you will measure, how you will measure it, how you will attribute impact and how you will assign value.

4. WHAT TO MEASURE

IT'SALLABOUTINDICATORS:CHOOSING THE RIGHT METRICS

Setting the right indicators is the base practice for effective measurement and evaluation. There may be dozens of potential indicators – both for the programme/policy/service overall and for its communication activities – and, therefore selecting those that are the most useful will be essential. These are the elements that should be taken into account when selecting your key indicators:

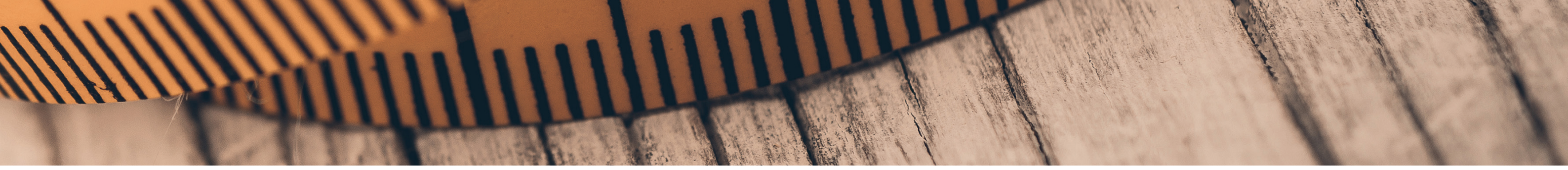
- Communication indicators need to be linked back to the overall aim, the overall intention. Sounds obvious, but it is surprising how often we see Key Performance Indicators (KPIs) that are disconnected from the activity's SMART objectives and fail to measure intended effects on specific target audiences;
- Indicators are signals that show progress towards the desired result (and the result itself). They should show how you are progressing (have progressed) down the expected route to effect;
- They should have a defined reason for being chosen – what they will show, why they are needed and who will use them;
- They should specify their data sources (including any reservations) and preferably have a baseline against which to measure;
- Indicators should have their assumptions and means of attribution understood at the outset;
- Indicators in communication can vary by audience, by timing, by channels, etc. and should be segmented in advance to reflect these variables;
- If there are organisational, professional or industry standards available, the indicators and their methodologies should adhere to them.

The types of indicators that are at least considered should include:

- Input indicators (i.e. indicators on the activities undertaken - have they been achieved as intended, and at 'best price');
- Output indicators (usually reach and frequency – often known, when combined, as "Impacts" in the communication lexicon);

Out-take indicators (the direct effect of the activity on the intended audience's thoughts and feelings – such as increases in awareness, knowledge, salience or intention, etc.);

- Outcome indicators (indicators that show how the activities have actually changed audience behaviours or attitudes and, finally along the pathway, what were the end point effects of these changes).



It is unlikely that all activities can reasonably be measured across all the above or, indeed, need to be - not everything that can be measured should be measured. What is needed is to know what could be measured and then to select by priority that which needs to be measured, starting with the overall aim of the intervention.

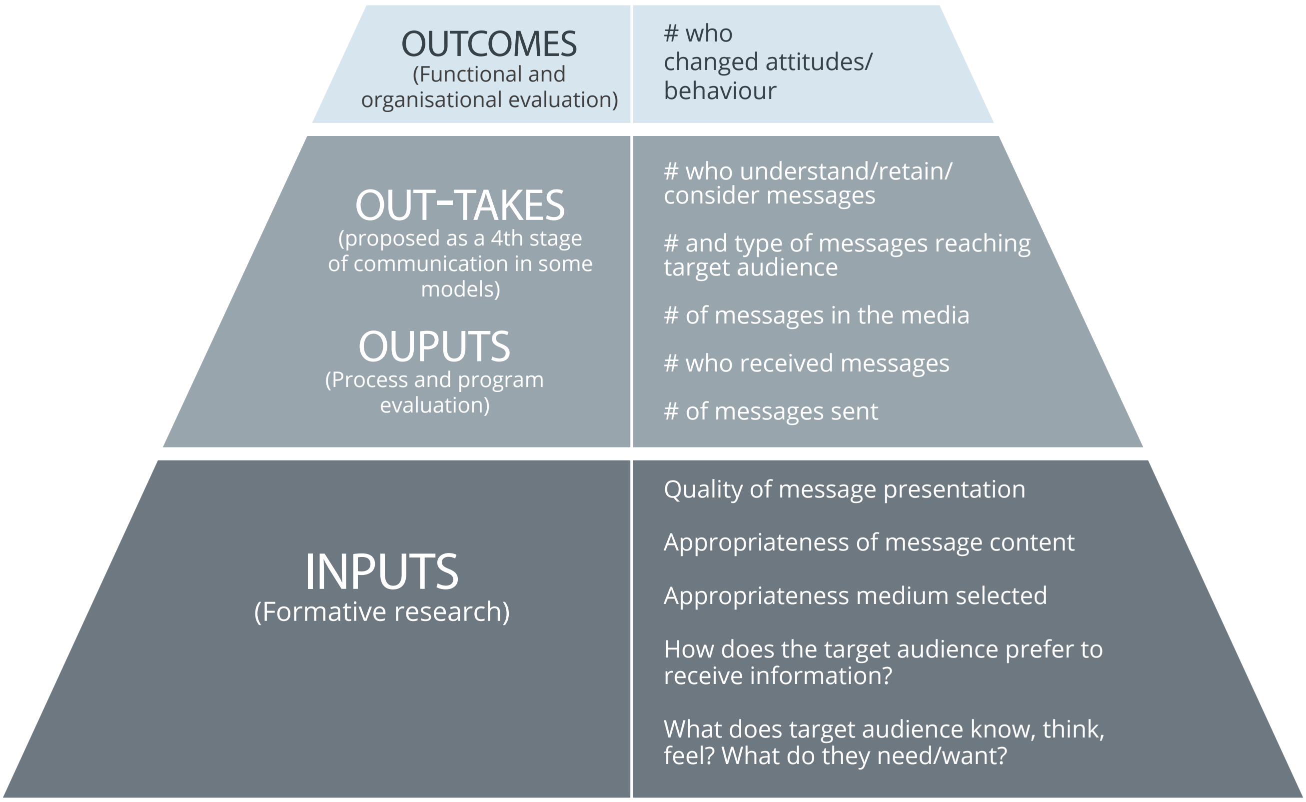
This model, adapted from one by Professor Jim Macnamara[5], concentrates on public relations rather than other communication methods.

However, this model does not specify outcomes that may not show the desired end result - which may be hard to measure - but do show that the target audience has taken measurable intermediate steps towards the desired final outcomes.

EXTERNAL FACTORS:

- POLICY
- ECONOMY
- WEATHER.ETC

FIG. 3



MACNAMARA MODEL

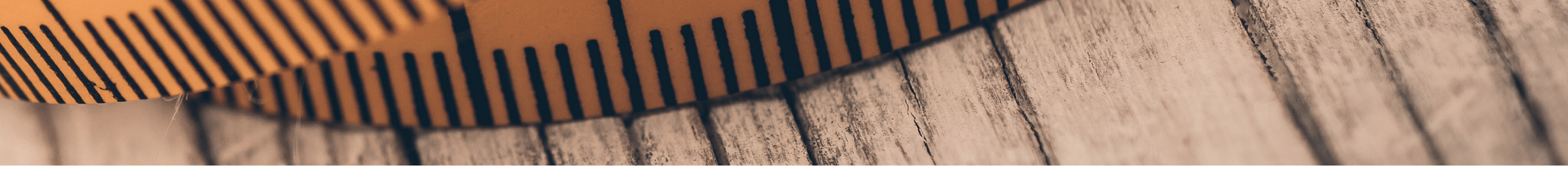
[5] Jim Macnamara (2011) PR Metrics: How to Measure Public Relations and Corporate Communication. AMEC

So, within public sector marketing communication especially, it is more common to extend the pyramid with intermediate outcomes (behaviour you can link relatively easily to your communication) and final outcomes (behaviours that are your organisation or programme objectives) as seen here in a diagram adapted from GCS:

FIG. 4

GCN2012EVALUATIONTRAINING(ADAPTED)

As noted in the previous text, these are ‘generic’ types or categories of indicators/metrics. We thought it would be useful to indicate the application of this model to email marketing communication.



At the risk of confusing readers, we have turned the model on its side. It remains the same model, simply presented differently so we can add more detail:

INPUTS	OUTPUTS	OUT-TAKES	INTERMEDIATE OUTCOMES	OUTCOMES
WHAT YOU DID/ RESOURCES	HOW MANY INDIVIDUALS YOUREACHED	WHAT RECIPIENTS THINK AND FEEL	WHAT RECIPIENTSDO ONLINE	WHATRECIPIENTS DO (OR NOT DO) OFFLINE
Metrics: • Resources (staff time and budget) • Number sent	Metrics: • Delivered (number Sent less Bounced) • Delivered plus Forwarded	Metrics: • Like/dislike email • More/less likely to act on it • More/less likely to trust your organisation	Metrics: • Number opened/ Opened rate • Click throughs/ Click to open rate • Plus activity on website including metrics: • pages visited, • dwell time, • download information, • complete online transaction	Metrics will be specific to mailing but some of things people we spoke to were interested included: • Reductions in calls to contact-centre, • Reductions in travel in severe weather, • Reductions in the consumption of contaminated food, • Numbers attending a cultural event
Source: • Mngmnt information • Email	Source: • Email metrics	Source: • Survey	Source: • Email metrics • Email metrics + web analytics email API	Source: • Tracking individual • Looking at patterns and trends • Asking people (survey)

FIG. 5

In addition to providing a structure for the types of metrics you will decide on for your activity, this 'typology' highlights the fact that different metrics tell you different things. They allow you to 'troubleshoot' your activity with a level of granularity beyond the basic "it did (or did not) work".

Your output metrics tell you how good your targeting is. Comparing the number of emails delivered with numbers sent tells you how good your list is in and of itself. Comparing the number of emails delivered with your target audience tells you where you need to focus your efforts on building your list.

Out-takes tell you what people thought about your activity. This can be particularly important for public sector organisations with a mandate or requirement to build trust among a client group. Intermediate outcomes tell you about the 'tactical effectiveness' of your email. Was it engaging enough to open? Was the content strong enough/targeted well enough to drive individuals to your website?

Final outcomes tell you about the effectiveness of your activity as a whole – as against the objectives set for it and the entire programme.

Optimisation: Email offers the opportunity to easily test specific elements to optimise your communication with specific audiences. Many of the users we spoke to had tested various elements of their emails to see if they could improve the response rates. Nottinghamshire County Council, for example, is using the testing capability built into Granicus's system to test day of the week, time of day, colour and placement of links.

HMRC are grouping sets of emails to new businesses to see if there is an optimum number of emails per user; a point at which response drops off; and whether particular emails within a sequence/time from signup get higher open rates.

These categories also highlight the role of 'optimisation', which we would distinguish from a full evaluation. A full evaluation addresses all elements of your activity from inputs through to final outcomes and comes to informed opinion. However, you might also engage in 'optimisation', focusing on improving one element.

For example, a number of the people we spoke to are using the A/B testing capability built into the GovDelivery Communications Cloud to test a range of factors, such as the time of day that emails are sent; best days of the week; subject lines; and types of content that improve the open rate and click-through of their emails. It is worth also considering grouping activity and examining responses using these categories over a series of emails. This can be particularly useful where you are taking an individual on a complex journey, for example setting up a new business. It can be really helpful to track which emails get the best response and whether there is a 'fall off' after a certain number, in order to enable you to 'optimise' this type of activity.

MEASURING THE LAST LITTLE BIT: LINKING ONLINE ACTIVITY WITH OFFLINE BEHAVIOUR

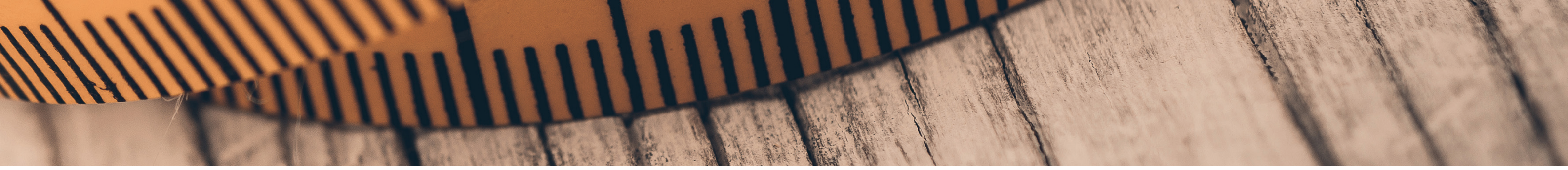
Ultimately, the purpose of our online activity should always be to drive offline behaviour. Often the purpose is to shift/drive behaviour from offline channels to online channels - for example getting members of the public to complete forms online rather than by using paper or telephoning - or even replace offline behaviour entirely (referred to as 'channel shift'). At other times we are trying simply to influence 'offline behaviour' - for example putting bins out on the right day. In these cases, one of the challenges in evaluating our activity is to link our online activity with the measured offline behaviour.

A short note on paid, owned and earned media: A few years ago, the term "Paid (Purchased), Owned and Earned" entered the lexicon of communication[6], separating media types (such as advertising, digital presence or PR) principally by cost, benefit and limitations. Commonly e-mail is classified as "Owned" in that the organisation "owns" its lists and can use them without recourse to purchasing media or to achieving editorial coverage or independent social media exposure.

However, we would argue that e-mail communication can also be a hybrid: yes, it is "Owned" but it is may also fit into the "Earned" category in that the intention may be that the recipient becomes a channel through onward dissemination of
your message.

If that is the case, you may be looking at measuring both the direct effects of your "Owned" initial communication (e.g. opening, acting) but also the "Earned" onward transmission effect (e.g. forwarding, posting).

[6] See, inter alia: Reitsma, R. & Corcoran, S. (2010) A Market Researcher's Introduction to Owned, Paid, And Earned Media. Forrester Research Inc: Cambridge MA, USA.



Linking our online activity with offline behaviour may be difficult but rarely is it not possible. This is one of those cases where 'perfect is the enemy of good enough'. It is important to remember to be pragmatic!

There are really only three ways of approaching this:

1. TRACKING THE INDIVIDUAL
2. COMPARING TRENDS OR PATTERNS
3. ASKING PEOPLE DIRECTLY

Each of these is discussed in more detail below.

TRACKING THE INDIVIDUAL:

This is possible where the individual has a unique identifier that they must use (to access a service for example) and which you can link to their email. This is often the case in a regulated area. For example, DVSA is linking unique MOT test site identifiers to their emails to allow them to track 'sites'. Another example would be where access/ service is controlled via barcode scanner, such as leisure facilities and libraries.

You might also consider capturing this data in other places - for example asking people to use their leisure cards at an event – although you might need to incentivise this. You can also do a less identity specific matching - where people enter name/ address details matching with email addresses[7]. Of course, there is a risk that this comes across as a bit 'big brotherish', so you will have to careful with your messaging (and data security).

Surveying users: Email offers you the opportunity to cheaply survey users. Nottinghamshire County Council has used Survey Monkey several times with different groups and managed to get hundreds of responses. It used the filters in the GovDelivery Communications Cloud - e.g. opened but not clicked through to nudge response - to get this level of response. They gathered useful evidence about how much people liked the newsletter and whether they felt 'more informed', as well as asking if people had attended events as a result of emails - all of which are useful in building your business case.

COMPARING TRENDS OR PATTERNS:

This depends on your being able to measure the offline behaviour. We can think of this as involving two scenarios: (1) where you can measure the offline behaviour yourself directly; and, (2) where you cannot measure the offline behaviour yourself. An example of the former is using email to reduce the burden on your call centre. You should be able to get data on call volumes. Then, plotting the call volumes against the email alerts is relatively straightforward.

An example of the second situation is using email alerts to reduce travel in severe weather. The Met Office does not measure travel or accidents directly.

Another example would be using email alerts to get people to dispose of or return contaminated food. In such cases you might need to partner with someone to get access to the relevant data. Supermarkets might be able to tell you how much food was returned; the health service might be able to tell about food poisoning instances. The Highways Agency might be able to tell you about travel volumes and/or accidents.

ASKING PEOPLE DIRECTLY:

You can always survey your subscribers via email and by using free tools, such as Survey Monkey (Nottinghamshire County Council has done this). You can also survey offline, for example at events where you ask how people heard about the event and what prompted them to attend. As with any survey, you are asking people about 'claimed behaviour', so there is risk that what they 'claim' is not accurate[8] but, nonetheless, it is a useful way to link offline behaviour to your online activity.

[7] This is less identity specific (or 'looser') because you will not match everybody. You would, for example, match both authors of this paper who use their full names in their emails and have unusual names. You would not match moondogsunrise@hotmail.com or john.smith317@isp.com.

[8] Not because we deliberately lie but because human beings are not accurate creatures. We remember through various distorting (cognitive) biases. One of which is our desire to please others, another is what is 'front of mind' so you are likely to find that asking someone if your email influenced their behaviour will give you an over estimate.

Unless you are lucky enough to have a unique id that you can link with an email address – or you can capture the email address – none of these methods are perfect. If you do not have some form of unique id that you can match with an email address, it is always worth considering if it is possible to 'capture' an email address.

The private sector often use incentives/prizes to capture email addresses (e.g. dropping your business card in the bowl to be entered in the draw). There is generally no reason that you cannot ask, and you may be able to use an incentive[9]. Of course, the more your email is tailored to an individual's interests, the more people will be inclined to give you their email address.

However, most organisations are not able yet to track the individual so, as with any measurement activity, using more than one method (triangulation) is always a good idea to strengthen your findings. At the end of the day, the question is are they good enough for what you want to do?

A short note on measuring non-events: As with much public sector communication, our purpose is often to prevent unwanted behaviour. The purpose of a weather alert, for example, is to reduce unnecessary travel and thus accidents. The purpose of an email alert saying your school is closed due to snow is to mainly prevent worried parents calling the call centre in the morning.

This poses the classic question for evaluation: how do measure something that has not happened? The classic answer is to find a 'counterfactual'. A counterfactual is an estimation of what is likely to have happened without your intervention. Typically we look to history for our 'counterfactuals'. We might look at travel volumes and accidents the last time there was similar weather before our email alerts – or, giving us richer data, look at a series of instances where weather was similar and plot travel volumes and accidents against the number of emails sent in the different instances. And, when trying to evaluate the impact of our school closure email alerts, we might look at call volumes in instances of similar weather.

ATTRIBUTING IMPACT

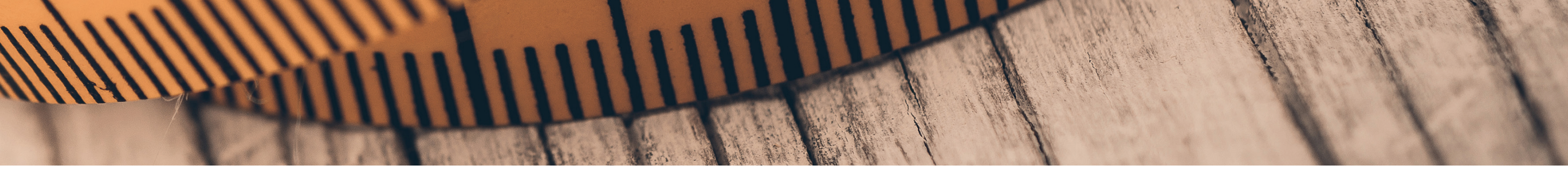
Attribution of the contribution of communication interventions may be complex but needs to be attempted if claims for the benefits of the interventions are to be upheld. When you have measured the final outcomes you must still demonstrate your impact, i.e. how do you know whatever happened would not have happened without your activity – sometimes referred to as the 'deadweight'. Again you are looking for the 'counterfactual', i.e. what would have happened without your intervention.

There are six ways to attribute impact which we discuss in more detail below but you will immediately see that there are overlaps with the approach to linking offline behaviour with your online activity. The six ways you can demonstrate the difference you have made are:

1. LOGICAL ARGUMENT
2. COMPARING TRENDS OR PATTERNS
3. ECONOMETRIC ANALYSIS
4. ASKING PEOPLE DIRECTLY
5. TEST AND CONTROL
6. TRACKING THE INDIVIDUAL

Each of these is briefly described in the following text.

[9] But do check propriety requirements. There are also rules around 'competitions' which you should check if you go down this route.



LOGICAL ARGUMENT:

Sometimes it is enough to say: “Look, without our email alert how would they have known to do this?” It is a pragmatic and appropriate approach where you cannot think of anything else that would have influenced their behaviour. We strongly suggest you get the input of others to challenge your assumptions if you use this approach. It would be embarrassing if you claim your email was the only promotion of an event, for example, only to find out there was coverage in the local press.

COMPARING TRENDS OR PATTERNS:

As above, this is a relatively simple way of demonstrating your impact, requiring only some data and a spreadsheet. If you can show library loans were falling until the introduction of an email alert for library users, it seems reasonable to claim the ‘uplift’ - i.e. the difference between what you think would have happened without the activity (by just continuing the trend line) and what actually happened for your activity.

Of course, as above, you have to be careful that nothing else might have caused that increase. One useful technique is to keep an ‘evaluation diary’, noting events that you suspect might influence the behaviour that you are trying to influence. In the case of library loans, we might anticipate that the weather would have an impact but so might the launch of a new bestseller or the Man Booker prize (prompting loans of the author’s earlier books).

ECONOMETRIC ANALYSIS:

Econometric analysis is a more complex version of comparing trends. It requires a high level of statistical skill and specialised software, so it is not appropriate for most of us. However we have two tips. Our first tip is if you have a statistical team within the organisation they might help you out. Be careful to prioritise though! Our second suggestion is a local college or university may be willing to help. This type of analysis can be an interesting assignment, particularly if it is not time critical.

ASKING PEOPLE DIRECTLY:

You can always ask people directly. As noted above, you risk them claiming that you made a difference simply because you have reminded them that you sent an email so this is ‘front of mind’, while the flyer from the school that their child brought home is forgotten, so you will need to explore a bit.

TEST AND CONTROL:

One of the simplest ways to demonstrate the impact of your activity in a powerful way is to divide up your audience and send your message to one group and not the other. The group which does not receive the alert is the ‘control’ group. What they do offers you your ‘counterfactual’, the different between what this group does and the group that receives your alert does shows you the impact you had. There are some simple rules for conducting this type of test, often called a Randomised Control Test (RCT) because the key rule is that there should be no difference between the test and control group.

To ensure this, you assign individuals to the test or control groups randomly, hence RCT. The Cabinet Office guide ‘Test, Learn, Adapt’ sets out in a comprehensive but simple way how to use this method[10]. There are guides as to how many people you should put in the control cell but 10% is not a bad rule of thumb and does not risk the outcome too much. Of course, there are ethical considerations. You probably would not want to test an email alert about flu jabs in this way.

TRACKING THE INDIVIDUAL:

If you can track the individual through your system you can strengthen your argument: for example, saying that most people went straight to the web upon receiving your email alert suggests that your email triggered their response. Of course this does not prove that the email was the only factor. This technique is best used in conjunction with the others.

10 See Cabinet Office, 2012, Test, Learn, Adapt.

5. Placing a value on outcomes

In order to determine the ROI of our activity, we have to place a financial value on the outcomes that have resulted from our activity[11] . This is often a stumbling block.

Only one of the users (HMRC) that we spoke to was able to put a financial value on the outcomes their activity was aimed at. There are good reasons for this but sometimes they get in the way of what we can achieve when we are a bit more pragmatic.

HOW TO CALCULATE ROI

The calculation itself of Return on Investment (ROI) is relatively straightforward: The ROI is net payback of the activity divided by investment (the cost of campaign/activity). Net payback is the total payback, i.e. the value placed on the outcome that you can attribute to your communication, less the investment (the cost of the campaign/activity).

Note that ROI is a ratio. It is usually expressed as £X value per £1 invested.

The challenge lies in placing a value on the outcomes.

FIRST OF ALL, DO NOT REINVENT THE WHEEL

As for doctors, for who the Hippocratic Oath enjoins them to "first do no harm", for evaluators it should be "first see if someone has done the work for you". The pressure to justify activity in financial terms has led to a range of organisations investing in putting financial values on a diverse range of outcomes.

HM Treasury has produced guidance on doing this in its Green Book and associated guidance[12] but other central government departments have actually produced financial values for a raft of their outcomes. The Department for Transport (DfT), for example, has produced values for accidents and travel time[13]. The Home Office has produced values for crime[14]. Charities and other stakeholders have similarly invested into putting financial values on outcomes to support lobbying and to justify their programmes to funders[15]. A first step is to talk to the relevant department within your organisation[16]. Your transport department might have a value they use for a school run, for example.

If no one within your organisation can help, Google is your friend. But first, two sources are worth looking at as they both cover a range of outcomes:

1. The Unit Cost database, an Excel file available for download from the New Economy Manchester website. This file holds 600 unit costs for areas including crime, education and skills, employment, fire, health, housing and social services. These are principally operational and economic costs (see below);

2. The Housing Associations' Charitable Trust (HACT) provides financial values for a substantial range of topics relating to employment, local environment, health, financial inclusion, youth and hobbies[17]. These are based on the Subjective Wellbeing (SWB) approach and give a financial value that individuals place on an particular outcome - such as being in a job - based on the impact on their sense of 'wellbeing' This approach is discussed in more detail below.

[11] We refer to value but of course value and cost are interchangeable here. The cost of a telephone call is also the value of eliminating the need for that telephone call. We use value and cost interchangeably here.
[12] See HM Treasury (2011) Green Book: Appraisal and Evaluation in Central Government and HM Treasury (2011) Valuation Techniques for Social Cost-Benefit Analysis: Stated Preference, Revealed Preference and Subjective Well-Being Approaches: A Discussion of the Current Issues.
[13] See DfT (2013) Reported Road Casualties Great Britain: 2012, DfT (2014) TAG UNIT A1.3 User and Provider Impacts and DfT (2014) TAG UNIT A1.3 User and Provider Impacts Data Book
[14] See Home Office (2000) Home Office Research Study 217: The economic and social costs of crime and Home Office (2005) The economic and social costs of crime against individuals and households 2003/04.
[15] See, for example, BT (2014) Valuing Digital Inclusion: Calculating the social value to individuals of going online.
[16] You should do this because different methods can lead to different figures. You do not want to use one figure for an outcome while the relevant department is suing another. That is potentially very embarrassing!
[17] HACT (2014) Measuring the Social Impact of Community Investment: A Guide to using the Wellbeing Valuation Approach.

ATTRIBUTING VALUES TO OUTCOMES YOURSELF: THREE TYPES OF VALUE

The value of an outcome is the combination of the value to the individual directly affected, to the organisation(s) directly responsible and of the benefits to wider society. For example, getting someone a job has a direct financial benefit to the individual, a direct financial benefit to agencies paying out benefits – and in a reduction in operational costs, the costs of processing claims, etc. - but also wider benefits.

For example, individuals with jobs are less likely to commit crimes which means that getting someone a job reduces the burden on the criminal justice system as well. Identifying these benefits can be difficult without even beginning to cost them.

One long term tracking study on the impact of early years interventions in Chicago measured benefits in the following areas: lower rates of special education placement, child maltreatment and out-of-home placement, and juvenile arrest; significantly higher rates of high school completion, completed more years of education; significantly lower rates of felony arrest; higher rates of health insurance coverage and lower rates of depressive symptoms, as assessed from ages 22 to 24; and, lower rates of daily smoking and substance misuse by age 26.

In other words, the benefits of early years intervention accrued directly to the education system, the health system and the criminal justice system over a period of three decades[18].

Of course, on top of these would be direct financial benefits to the individual of, for example, higher income due to being able to get a higher paying job with higher levels of schooling, which would also lead to the increased tax revenues to local, state and federal governments associated with higher incomes.

But, once again, we urge pragmatism! And do not let the challenge of tracking all the possible benefits stop you. You should be able to identify the key benefits. It is always worth (a) looking online to see if someone has identified the benefits of a particular outcome, even if they have not costed them; and, (b) getting people to help you brainstorm – ideally a selection from different teams.

ATTRIBUTING VALUES TO OUTCOMES YOURSELF: FIVE METHODS

If you find yourself in this position, we remind you of our first principal – pragmatism. This must always be considered in the light of your investment in the activity. Do you really want (or need) to invest many times the value of the activity in evaluating it?
Having said that, five methods are typically used in assigning a financial value to social outcomes:

1. OPERATIONAL COSTS
2. ECONOMIC COSTS
3. STATED VALUE
4. REVEALED VALUE
5. COMPOSITE OF TWO OR MORE OF THE ABOVE

Each of these is briefly described in the following text.

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[18] Reynolds, A.J. Temple, J.A. White, B.A.B. Ou, S-H. Robertson, D.L.., 2011, Age 26 Cost–Benefit Analysis of the Child-Parent Center Early Education Program, Child Development, 82(1), 379–404.

OPERATIONAL COSTS:

Operational costs are the costs of delivering the service. These are typically staff time. The Department for Communities and Local Government (DCLG) has provided useful guidance on identifying and calculating these[19].

ECONOMIC COSTS:

Economic costs are costs such as benefits paid out, income lost, cost of replacing damaged good, repairing damaged property, etc.

STATED VALUE:

Stated value is obtained by asking people directly what they would be willing to pay for something to happen or not to happen. This method is based on asking people what they would pay for the outcome you are trying to place a value on. The most common way to approach this is to survey a representative sample of the relevant population asking them how they would value the item you are trying to value.

This approach has also been used in valuing cultural artefacts, such as historic landmarks/buildings. The people surveyed can be asked what they would be willing to pay (WTP) to preserve a specific building for example, or they can be asked what they would be willing to accept (WTA) from a developer for the site.

REVEALED PREFERENCES:

This method is based on examining what people actually do/pay for, rather say they would do/pay for. An example would be using average house price variation as a proxy for the value people place on a 'good' school.

COMPOSITE MEASURE:

This is based on the use of two or more methods. The Department for Transport (DfT) uses three methods to identify the cost of an accident involving injuries and/or fatalities (which is, of course, the value of such an accident prevented). The three methods used are:

1. Economic Costs: Loss of output due to injury. This is calculated as the present value of the expected loss of earnings, plus non-wage payments made by employers;

2. Operational Costs: Ambulance costs and the costs of hospital treatment;

3. Stated/Espoused/Expressed Preferences: The human costs of casualties. These are based on willingness to pay to avoid pain, grief and suffering to the casualty, relatives and friends, as well as intrinsic loss of enjoyment of life in the case of fatalities.

PRAGMATISMINATTRIBUTINGVALUE

This need not be a mammoth exercise as often you can start small and build on the work of others. Think in terms of three levels of granularity or sophistication:

1. BASIC
2. TAILORED
3. SOPHISTICATED

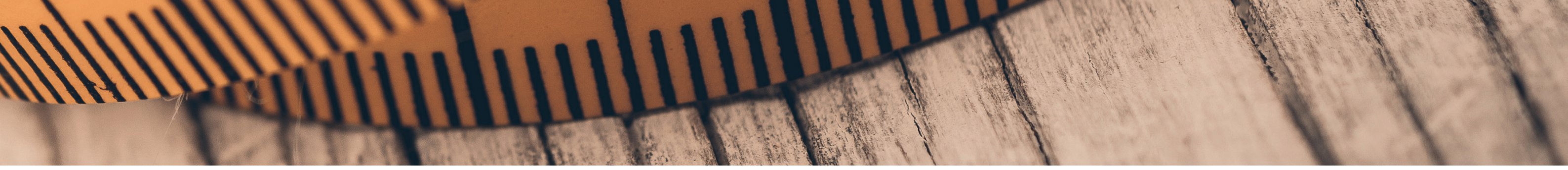
A basic approach might involve simply using national averages – for example the figures suggested by Dr Gerald Power in his white paper for Granicus, 'Channel Shift: Realising the Benefits' for the cost of a telephone call. A more tailored approach might be to calculate average costs of a call for your own organisation using the total cost of the call centre against the number of calls handled.

If you have the data, you might be able to pull out the cost of the particular calls you are trying to reduce (for example, allowing for increased costs of 'out of hours' calls or longer calls[20]).

And, in this case, you can probably stop with actual

[19] The Department for Communities and Local Government has published useful guidance on this. See DCLG, 2008, Delivering Efficiency: Understanding the Cost of Local Government Services.

[20] AgaintheDepartmentforCommunitiesandLocalGovernmenthaspublishedusefulguidanceonthis.Thisincludesahierarchyofapproachesof increasing complexity. See DCLG, 2008, Delivering Efficiency: Understanding the Cost of Local Government Services.



figures for just the operational costs and simply refer to the benefits to the individual (convenience, time saved) and to society more generally.

If attributing a value is impossible or, more likely, impractical, you should still offer some financial justification for your activity. At minimum you should be able to offer a price per person reached. You should also be able to offer a price per email read. A price per individual steered to the website should also be offered.

VALUING YOUR SUBSCRIBER BASE

Here lies also a clue to valuing your subscriber base or list. This is critical because you will want to demonstrate the value of investing in building your list. Everyone we spoke to was investing in building their list. Strategies included capturing email addresses on their website, digging out email lists across the organisation and identifying partners to promote subscription to their list.

The larger your list, the better all of the financials mentioned above will look. If you can put a value on the final outcome and identify the contribution of your communication, you should be able to come up with a value per individual/organisation on your list. This makes the case for growing your list much more easily argued.

As with calculating ROI, the maths is fairly easy. The challenge is in placing a value on the behaviour you want. The value of a subscriber is more complex but essentially you start at the end of the journey. What is the value you place on the end outcome? You then multiply that by the probability that the individual will take the action you want in order to get a value for an individual at that stage of the 'journey'.

A hypothetical example illustrates this: Let us say you want to encourage people to use your library. DCMS has placed a value on 'active use of library' of £1,359 for the individual's subjective wellbeing[21]. Let us say we email our list of 5,000 and decide that we have got 3 active library users out of our efforts. The probability of any one of our list becoming an active user (the conversion rate) is 0.06%. Multiplying this by £1,359 gives a value of £0.82 for everyone on the list. Similarly the chance of anyone who opens the email going on to become an active user is 3%. Which means that everyone who opens the email has a value of 3% of £1,359 or £40.77. It is helpful to set this out as a table:

FIG. 6

STAGE	NO.	% OF LIST	CONVERSION RATE	VALUE PER PERSON
Become active library user	3	0.06%	100.00%	£1,359.00
Clicked through	15	0.3%	20.00%	£271.80
Opened	100	2.0%	3.00%	£40.77
Sent (list)	5,000	100.0%	0.06%	£0.82

[21] DCMS, 2014, Quantifying and Valuing the Wellbeing Impacts of Culture and Sport .

Of course this is just the start. Commercial lists are valued using 'average order value'. You will need to start building up a bank of values and conversion rates to assign a value to each member of your list based on your 'average order value'. It is worth remembering and breaking the value down into the three areas of value, i.e. value to the individual, impact on operational costs and value to the community/wider society.

CONCLUDING COMMENTS

In this era where we are all increasingly under the spotlight and held to account in financial terms, we hope that we have provided a basis for individuals involved in the use of email marketing to support the channel shift activities of government bodies to carry out the kind of measurement and evaluation this environment demands.

We strongly believe that fundamental to effective evaluation is agreeing some basic principles and the use of a structured approach based on a clear identification of the type and role of different metrics. We know that individual communication evaluations become more valuable to the institution – and across institutions – when they are conducted to shared standards, common methodologies and use shared experience and data. We hope we have offered these basics in a way that is accessible.

We also are strong believers that attributing impact and assigning value to outcomes, while not trivial in process, should not put you off. We hope that we have offered a simple route map to get you started on this journey – or, in many cases, help you move further down the road.

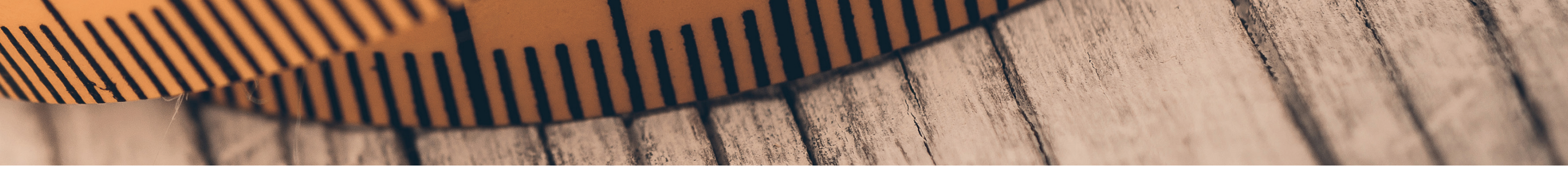
We have two concluding thoughts regarding the future of evaluation. The first is that, increasingly, we are going to be asked to look at longer-term evaluation. How have we contributed to building relationships with key audiences – including internal audience – over two years, five years? The models set out in this paper will provide a solid basis for this. The second is that communication teams are changing. Increasingly, we are recognising the value of content and particularly, content that can be used across channels to enrich our audiences' experiences. We will all need to think about what this means for evaluation in the near future.

Flexible Use: Email allows you to precisely target different audiences including those that cross organisational boundaries. Central Bedfordshire Council use email in three ways:

1. Open external groups with 35,000 out of 254,000 signed up to email information and services e.g. libraries.

2. Closed external/internal groups to specific audiences such as fosterers, adoption teams.

3. Purely internal groups such as staff bulletin and director's newsletter.



ABOUT

Granicus provides technology that empowers government organizations to create better lives for the people they serve. By offering the industry's leading cloud-based solutions for communications, meeting and agenda management, and digital services to over 4,000 public sector organizations, Granicus helps turn government missions into quantifiable realities. Granicus products connect over 160 million people, creating a powerful network to enhance citizen engagement. By optimizing decision-making processes, Granicus strives to help government see better outcomes and a greater impact for the citizens they serve.

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