

CORPORATE PROFILE

Southwest's PR displays intangible value

Measurement consultant helps the airline's comms department display its worth to the bottom line

BY MARC LONGPRE

LIKE NEARLY EVERY other corporate communications executive, Linda Rutherford, VP of PR and community affairs at Southwest Airlines, was looking for a way to measure the effectiveness of her department's work. That opportunity arose in 2005, when she met Jonathan Low, one of the co-founders of Communications Consulting Worldwide (CCW) at an Institute for Public Relations measurement summit.

Low and his partner, Pamela Cohen, began developing CCW in 2004, with the goal of helping PR firms and corporate communications teams measure and maximize the value of their communications practices. Low says that in today's environment, every company is under pressure to justify its resources, "and in the communications area, there is a burden because everyone thinks they are an expert."

Low says Southwest was a good client to work with because it was a company that had relied very heavily on exactly what CCW was trying to measure: intangibles.

"If ever there was a company that has not only existed to a large degree because of its intangibles, [but] has [also] continued to promote those intangibles, it's this one," Low enthuses. "It has created a leading business out of promoting those issues that are harder to measure."

Rutherford and Low agreed that the budget airline, which had long built its communications strategy

through the very non-physical assets CCW hoped to measure, would be a perfect target for the emerging venture.

While the prospect of working with Southwest excited Low, Rutherford admits that Southwest was equally interested in taking a closer look at its communications practices and measuring their value.

"We embarked on an effort about a decade ago to make our communications more metrics-based," says Rutherford. "When I met [Low], who was doing a case study on how they created this model that helped them derive a monetary value, I was intrigued. We saw an opportunity to speak the same language and find ways that would help move the needle or add value to our bottom line."

"[Southwest] does not shy away from communications"

*Jonathan Low
Cofounder
Communications Consulting Worldwide*

The quest to measure PR is nothing new, but CCW believes the statistical analysis framework it's developed, called Communications CoPilot, successfully incorporates intangibles like corporate culture and community relations into the bigger picture.

That framework is, of course, customized for each client, and Rutherford hoped it would allow her to see which parts of Southwest's communications practices were effective and which could be improved. When the results began to come back, Rutherford began to see some very helpful information.

"We were strong on our low-fare messages, but we found an oppor-



CCW helped Southwest determine how communications efforts directly affected stock price

tunity to communicate our breadth of service," she says. "We saw there was more we could do to highlight our convenient flight schedule, our airport improvements, and the comfort of our aircraft."

Low and Rutherford also began to see Southwest's message was fading too quickly. When the company put out a press release, the life of the message was short-lived, particularly in the fast-paced environment of the modern news cycle. They began to work on strategies that would prevent the news from fading into the background.

"We learned there was a power in elongating the shelf life of the message," Rutherford says. "You might have a fare sale one day that allows you to talk about the low-fare leader, but it's gone after that day. What else can we do that will stretch that message over time? We can explain a new Web tool on another day. We can talk about our new color-coded calendar that helps customers find the low fares. We can highlight a new market."

"They are a company that doesn't shy away from communications, so it's been wonderful," Low says. "We were able to demonstrate that their corporate communications effort was having a significantly greater impact than I think they

had ever imagined."

CCW also developed a way to track stock price while marking the times there were communications efforts and, based on what they were, watched the direct impact the news had on stock price. Eventually, they were able to look back five years and judge fairly accurately how certain communications efforts would affect stock price.

While communications isn't the driving factor for bottom-line financials, Rutherford says she wanted her department to be seen as complementing them. The effort allowed her staff to go back and hone their practices with all the added information about how their messages resonate in the marketplace. ■

AT A GLANCE

COMPANY: Southwest Airlines
CEO: Gary C. Kelly
HEADQUARTERS: Dallas
REVENUES AND LATEST EARNINGS: 2005 sales – \$7.58bn
COMPETITORS: All other airlines
MARCOMMS TEAM:
Ginger Hardage, SVP of corporate comms
Linda Rutherford, VP of PR and community affairs
Kevin Krone, VP of marketing, sales, and distribution
MARKETING SERVICES AGENCIES: Ruder Finn