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# Measuring and Evaluating Strategic Communications at the Bank of Canada

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## Abstract

A central bank's ability to measure the impact of its communications is nothing less than challenging. This is for several reasons: (i) the general public is a vastly broad audience with varying degrees of knowledge of, interest in and engagement with economics and central banking; (ii) some communications goals—such as building trust—take a significant amount of time; (iii) results from communications efforts are often intangible and difficult to measure; and (iv) many communications outcomes are influenced by broader social factors that are beyond a central bank's control. The Bank of Canada's Communications Department has developed a framework to quantify and qualify the Bank's communications efforts and their results. Using data-based measurement and evaluation, the department can assess the impact of the Bank's communications activities and gauge the department's contribution to the Bank's overall goals. These measurement and evaluation activities have contributed significantly to the Communications Department's work, informing both strategic and tactical decisions. The use of measurement and evaluation brings a fresh perspective and enriches the practice of strategic communications—in a sense, integrating science into an established art. The Bank's framework provides a solid foundation upon which measurement and evaluation approaches can stand securely as they evolve.

*Topics: Credibility; Monetary policy communications; Central bank research*

*JEL codes: D, D8, D83*

## Introduction

Strategic communications are notoriously difficult to measure. In the marketing field, activities such as advertising and promotion can be directly linked to quantifiable outcomes like sales and revenue. But the outcomes of public sector communications efforts—knowledge, attitudes, and trust for example—are intangible and can be hard to assess. To complicate things further, these outcomes are affected by external factors such as social, political or economic events that cannot be fully controlled or isolated in a measurement or evaluation exercise.

Yet measurement and evaluation are fundamental to the success of strategic communications. They help communications teams determine whether and how their efforts are making a difference. They also provide insight that can make communications activities more effective. By measuring and evaluating the impact of these activities, communications leaders can more clearly demonstrate their department's contribution to the organization's goals and solidify the group's strategic importance (Swenson et al. 2018).

For central banks, the stakes are even higher because strategic communications are a key component of the effective conduct of monetary policy. Central bank communications:

- influence decisions made by firms and households
- support the anchoring of inflation expectations
- reinforce the credibility of policy with markets and other economic players
- build the public's awareness and understanding of a central bank's work
- help establish trust in the institution

All of these activities are essential for central banks to fulfill their mandates. As a result, measuring *and* evaluating the results and impacts of communications are both critical to ensure those communications effectively support the work of central banks.

## Progress in communications measurement and evaluation

For a long time, traditional measures of media coverage (e.g., advertising value equivalency) were the main—if not the only—metrics used to assess the performance of communications efforts. However, these metrics are limited because they offer no indication of the impact of the media coverage on the target audience. Moreover, they measure just a portion of the overall efforts of communications teams—especially in an environment of ever-growing use of social media by the public to obtain information.

Fortunately, the field of communications measurement and evaluation has advanced. Additional metrics have been developed that focus more on *outcomes* (the impacts of communications on audiences) than on *outputs* (specific communications products) as the main measures of success. This allows organizations to explore the effects their communications activities have on audiences (Watson 2012).

While the terms *measurement* and *evaluation* are often used interchangeably, their objectives are not the same. Measurement is a central component of evaluation; it encompasses gathering and analyzing data (quantitative and qualitative) that form the basis of evaluation. In contrast, evaluation assesses the effects of communications on intended audiences and the contribution of those communications to the achievement of an organization's goals.

Evaluation serves to answer two questions:

- Were the objectives met?
- How were they met or not met?

When evaluation is able to answer the first question, accountability of communications efforts can be established. And when it answers the second, learning and improvement become natural consequences (Buhmann and Likely 2018).

Broad evaluation frameworks—those that measure communications outcomes and how those outcomes affect the achievement of organizational goals—are needed to fully assess the value that communications efforts bring to an organization. Several models have emerged over the years. Some are more sophisticated than others, but at their core lies a logic model for program evaluation (Buhmann and Likely 2018).

While interest in these broad frameworks has grown, their development and implementation have yet to become mainstream. Buhmann, Likely and Geddes (2018) note that the use of broad, sophisticated measurement and evaluation frameworks is still very limited. They suggest that most of the progress in communications evaluation has been in assessing the effectiveness of communications campaigns rather than communications' overall contribution to the achievement of broader organizational goals.

## The public's views of the Bank of Canada

In 2018, the Bank of Canada's Communications Department introduced an annual public opinion and audience research program. This aimed to assess the public's:

- awareness and knowledge of the Bank
- attitudes toward the Bank and trust in the institution and its work
- views on the economy

Among the insights gained was the finding that knowledge of the Bank, and economic literacy more broadly, play a key role in influencing opinions about the Bank itself. Results indicated that the higher an individual's economic literacy, the more likely that person is to have greater awareness of and trust in the Bank.

People with above average economic knowledge tend to be interested in the Bank's work and want to understand the reasons behind the Bank's decisions. Those with less economic literacy find it difficult to be interested in, and to fully understand, the Bank's messages. These individuals typically do not seek macroeconomic information, and when they do come across it, they may not see how it relates to their own lives.

However, regardless of their level of knowledge, Canadians expressed an interest in learning more about the economy and the Bank. Research revealed opportunities to deepen people's trust—by improving the public's knowledge of the Bank's work and by enhancing the Bank's connection with its audience.

## A communications strategy for the medium term

Informed by the insights drawn from this research, in 2019 the Communications Department launched a three-year Medium-Term Communications Strategy. The plan rests on three pillars of action:

- **Reach**—increase and broaden the Bank's reach by aligning communications with Canadians' needs and preferences, thereby improving public awareness of the Bank's role, policies and actions
- **Educate**—develop strategies and leverage channels to increase people's knowledge and understanding of the Bank's work and of the economy in general
- **Engage**—build deeper, more trusted relationships with Bank stakeholders and create greater opportunities for dialogue and advocacy

These three pillars support the overarching goal of the Medium-Term Communications Strategy: to deepen public trust in the Bank. For most central banks, public trust is at the core of their mission. Trust makes it possible for the public's inflation expectations to closely align with the inflation objective of the central bank. And inflation expectations that are solidly anchored—by belief that inflation will remain at the level the central bank is targeting—make monetary policy more effective. Understandably, building and maintaining public trust is vital to the Bank's work and contribution to the country's economic well-being.

In times of crisis—like the COVID-19 pandemic—public trust in a central bank to act in the people's best interest is even more important. This is because the central bank may need to resort to exceptional measures to support the country's economy. These measures can be quite complex and difficult to explain to a public that has varying levels of understanding of how economies work. Having well-established public trust allows central banks to respond to shocks and crises quickly and effectively through a variety of monetary policy measures.

## Central bank challenges

Measuring communications outcomes is especially difficult for central banks because their audience is diverse and diffuse. This audience can range from highly sophisticated bank watchers to those with little to no interest in economic matters. Further complications include the following:

- Unlike many government agencies and not-for-profit organizations, central banks do not typically offer services directly to individuals. And many citizens do not consider a central bank to be directly relevant to in their daily lives.
- Because central banks' concerns are macroeconomic in nature, the terms, phrases and language they use—for example, output gap, economic slack and potential growth—don't resonate with most people.

For these reasons, many people don't realize the effects that a central bank's work has on their lives. This is ironic given the impact that monetary policy has on interest rates and ultimately the prices of goods and services, two areas that are highly connected to everyday life.

Other difficulties in measuring the effectiveness of communications arise because:

- it can take a long time for the impacts to sustainably manifest as people's changed opinions and behaviours
- public opinion is influenced by external factors—such as a person's financial situation or the political landscape—that the Bank cannot control
- some misperceptions about central banks persist, including the common misunderstanding that central banks are commercial banks, which can distort opinions and affect measurement

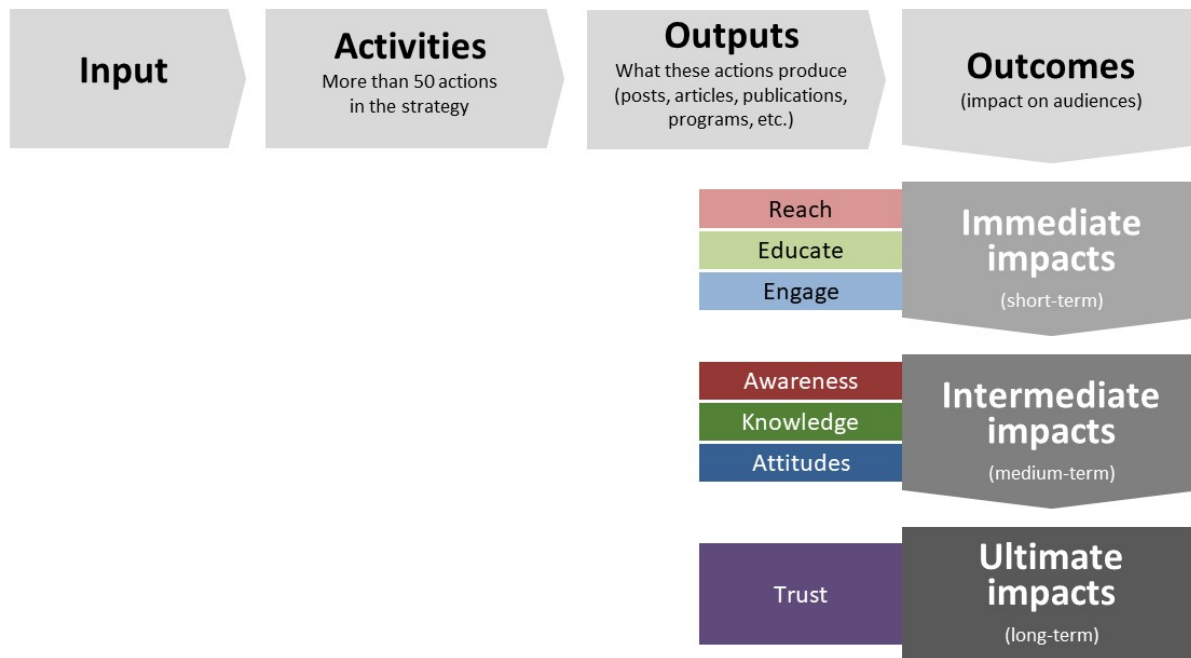
## The Communications Department's framework

The Communications Department tasked itself to develop and implement a comprehensive measurement and evaluation framework for strategic communications. It applied basic logic modelling for program evaluation to its three-year Medium-Term Communications Strategy (**Figure 1**).

Logic models document a chain or sequence of causes and effects, which in turn determines the path to bring about an expected change (see W. K. Kellogg Foundation [2004] for more detail on logic models). The underlying assumption is that if every action in the strategy yields the expected results, this will have a domino effect that will, over time, lead to the achievement of the organization's broader objectives and strategic goals.



Figure 1: Mapping the strategy to a logic model



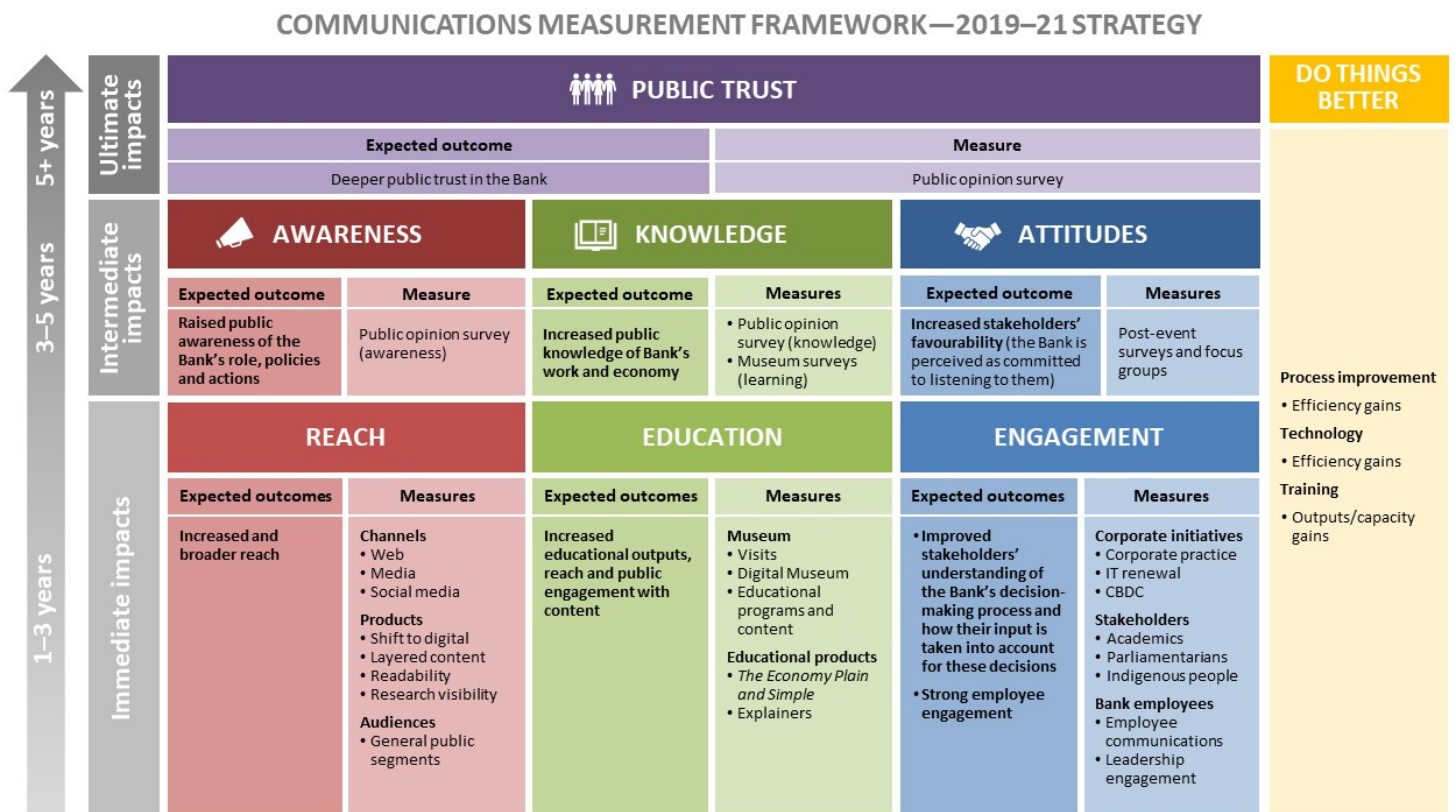
Based on the mapping exercise, a measurement and evaluation framework was developed.

**Figure 2** shows how the immediate, intermediate and ultimate impacts relate to each other and how they are being measured.

Because the ultimate goal of the strategy is to deepen public trust in the Bank, and trust is influenced by people’s level of awareness, knowledge of and attitudes toward the Bank, the department focused on:

- broadening the **reach** of communications to increase the public’s awareness of the Bank and its work
- expanding efforts to **educate** the public about the Bank and the economy
- increasing **engagement** with Bank stakeholders to generate favourable attitudes toward the Bank and, eventually, advocacy for the institution

Figure 2: Overview of the measurement and evaluation framework



## Time frame

Although the Medium-Term Communications Strategy has a three-year horizon, successfully shifting the public's awareness, knowledge, attitudes and trust can be realized only in the longer term. Because of this, the time frame in the measurement and evaluation framework extends beyond the planning horizon of the strategy.

Also, estimating the amount of time needed for the impact of the Bank's communications to materialize proved difficult. Because of this, the department used approximate timelines for immediate, intermediate and ultimate outcomes, with a view to re-evaluating these estimates over time.

## Metrics

The department developed a mix of quantitative and qualitative measures to obtain the fullest possible picture of the results and their impacts.

Figure 3: Measures used in the framework

	MEASURES	
	What is being measured	Metrics
TRUST	Canadians' level of trust in the Bank	Quantitative: public surveys
AWARENESS	Awareness, knowledge and attitudes of Canadians about the Bank and the economy	Quantitative: broad public and targeted surveys Qualitative: focus groups and consultations
KNOWLEDGE		
ATTITUDES		
REACH	Results of activities to reach audiences	Quantitative: web and social media analytics, media coverage, etc.
EDUCATION	Results of educational activities	Quantitative: school/educational visits to Museum, educational program uptake, web and social media analytics Qualitative: feedback (visitors, teachers, event participants)
ENGAGEMENT	Results of stakeholder engagement activities Results of activities to inform and engage Bank employees	Quantitative & qualitative—stakeholders: participation in meetings and consultations, participant feedback, quality of interactions, etc. Quantitative & qualitative—employees: employee feedback/surveys, intranet analytics, etc.

## Targets

Because this was the department's first Medium-Term Communications Strategy and many benchmarks had not yet been developed, soft targets (i.e., improvement over previous years' results) were assigned to most measures. As more data are gathered over time, the targets will become more specific. Where solid benchmarks were available and relevant, hard targets were used (e.g., Net Promoter Score for the Bank of Canada Museum).

## Data gathering and analysis

A significant challenge was the extensive data gathering and analysis needed. A communications analytics practice was established to organize this work and ensure its continued evolution. **Table 1** shows the main tools used to gather and analyze the data.

**Table 1: Data gathering and analysis approach**

Activity	Research type	Frequency	Area explored	Serves to assess
<b>Surveying Bank audiences</b>	<ul style="list-style-type: none"> <li>Public Awareness Survey and pulse-checks</li> <li>Focus groups</li> </ul>	<ul style="list-style-type: none"> <li>All survey questions annually</li> <li>A subset of survey questions (pulse-checks) twice a year</li> <li>Focus groups as needed</li> </ul>	<ul style="list-style-type: none"> <li>General level of public's knowledge of, trust in and attitudes toward the Bank</li> <li>Media consumption habits</li> <li>Views on the economy</li> <li>Product testing</li> </ul>	<ul style="list-style-type: none"> <li>Intermediate outcomes</li> <li>Ultimate outcomes</li> </ul>
	<ul style="list-style-type: none"> <li>Museum surveys: <ul style="list-style-type: none"> <li>visitors</li> <li>teachers</li> <li>event participants</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> <li>After delivery of educational programs</li> </ul>	<ul style="list-style-type: none"> <li>Satisfaction and learning</li> <li>Net Promoter Score</li> </ul>	
	Stakeholder consultations	As required	Views and perceptions	
	Employee survey	<ul style="list-style-type: none"> <li>Every 3 years</li> <li>Ongoing feedback</li> </ul>	Satisfaction, feedback and suggestions on content	
Activity	Data analysis	Frequency	Purpose	Serves to assess
<b>Tracking communications results</b>	Campaign analytics	During and after communications campaigns	Assess results of communications campaigns and promotional efforts	<ul style="list-style-type: none"> <li>Immediate outcomes</li> <li>Outputs</li> </ul>
	Social media analytics	Monthly, with an annual roll-up	Track results of the Bank's social media activity	
	Product analytics	Quarterly, with an annual roll-up	Track performance of Bank publications over time	
	Museum analytics	Monthly, with an annual roll-up	Track results of Museum web and social media activity	
	Employee communications analytics	Monthly, with an annual roll-up	Track results of digital employee communications	
	Media analysis	Ongoing	Assess quantity and quality of media coverage	
Activity	Data analysis	Frequency	Purpose	Serves to assess
<b>Tracking the department's work</b>	Management Information dashboard	Quarterly	Track volume and nature of operations (statistics)	<ul style="list-style-type: none"> <li>Outputs</li> <li>Inputs</li> </ul>

Ongoing data analysis allows the Bank to establish feedback loops with its audience. By learning how the public interacts with different content, the Bank can better tailor its communications approaches to maximize impact.

The Communications Department has been using the insights from its analytics work and audience research to make both tactical and strategic decisions about its communications.

## Tactically speaking

Analysis of the data has helped the department develop products that are more aligned with audience preferences and needs.

- Patterns in how Bank audiences consume information show a preference for short, simple content. As a result, the Bank now publishes a summary alongside most of its speeches (like [this one](#)). These summaries garner more page views than the speeches themselves, which helps increase the Bank's reach.
- Insights from the department's data analytics also informed the development of [The Economy, Plain and Simple](#). This web-based publication presents short, plain language articles about topics of interest to the public. Each article usually contains multiple forms of media. The reach of this product has grown continuously since the publication was launched in 2018.
- Analysis of the Bank's social media data has helped the department understand what content, platforms and formats work most effectively for the Bank's different communications products and campaigns. This has allowed the department to move away from a one-size-fits-all approach and toward more customized and focused efforts.

## Strategic communications during a crisis

The department's audience research and data analytics have been used to inform the Bank's approach to communications during the COVID-19 pandemic. The Bank had to implement some extraordinary measures—such as quantitative easing—in response to the crisis. To meet the public's need for transparency and the Bank's need to maintain public trust, the Communications Department developed several products to inform and educate Canadians about the Bank's actions. Each product offered a different level of detail and complexity to meet the needs of different audiences:

- a [web page](#) summarizing the actions the Bank is taking in response to the COVID-19 pandemic
- several [speeches and statements](#) designed for audiences with different levels of economic literacy
- [media interviews and briefings](#) to maintain transparency of the Bank's activities
- multiple articles in [The Economy, Plain and Simple](#), written in plain language that the average Canadian can understand and relate to
- in-depth [explainers](#) that describe complex economic topics in an educational manner

So far, this approach has been successful, with above average consumption rates and sustained levels of public trust.

## **Lessons, limitations and considerations for the future**

### **A flexible approach**

It is important to recognize when building a measurement and evaluation framework that some measurement and evaluation questions may not be answered fully. This was the case with the department's framework, given the size and complexity of the audience, the capacity of the department and the multitude of factors at play. Being open to using soft targets, approximate timelines, occasional estimates or imperfect measures when nothing else was available allowed the department to move the work forward. A view for ongoing improvement was also key—measurement and evaluation work should always be evolving. Data gathering, measurement and analysis should be continually tested and enhanced as more information becomes available and new approaches are developed in the industry.

### **Effects of other variables**

One particular difficulty is distinguishing the outcomes of an organization's communications efforts from what may have been caused by changes or events in the external environment. For example, we know that the economic crisis caused by the COVID-19 pandemic boosted public interest in the work of central banks. But measuring that increase in interest separately from one resulting from communications initiatives is difficult to do, especially with any degree of certainty. More work is needed to effectively isolate the impacts of external factors on results and improve the attribution of cause and effect more directly to communications activities.

### **Return-on-investment measures**

Measures of return on investment have not been integrated in the framework, since the Bank's communications work does not typically include spending on promotional or advertising campaigns. Development of the framework focused on evaluating the results of communications activities and their impacts, not on assessing efficiency and allocation of efforts and resources. However, these measures could be included in the future as the framework evolves.

### **Impact on behaviours**

One area the department could explore further is assessing the impact of the Bank's communications on the public's behaviour. Once the intermediate impacts of awareness, knowledge and attitudes are realized, the Communications Department could shift its focus to gauging how the Bank's communications efforts are contributing to shaping the public's financial behaviour.

## Conclusion

The development of the measurement and evaluation framework has helped the Bank better understand its audience. It has also highlighted the amount of dedicated effort and focus that is needed to build and maintain public trust. Measurement and evaluation help quantify and qualify communications efforts and outcomes and assign value to progress made toward objectives. With solid data and analysis, the framework can demonstrate the contribution that strategic communications have made to broader organizational goals. This, in turn, empowers the department and solidifies its strategic importance.

The analytic work supporting the framework has also been a significant driver of value. The resulting data-based insights complement the judgment of the department, which allows for improvements to communications products and better strategic thinking for future initiatives. As an evidence-based communications approach emerges, the department is better positioned to understand the reasons behind the results of its communications, replicate those that are deemed successes, and make adjustments in areas requiring improvement.

The use of measurement and evaluation brings a fresh perspective and enriches the practice of strategic communications—in a sense, integrating science into an established art. This certainly warrants continued development. The Bank's framework provides a solid foundation upon which measurement and evaluation approaches can stand securely as they evolve.

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