BIZCOMMUNITY

Five factors to consider in measuring ROI

By Natasha McClymont

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You and your team, along with your client, conceptualise a campaign. It is, quite frankly, beautiful (if you do say so yourself, it captures the brand identity perfectly. Your broad goals are agreed upon: drive sales, up brand awareness, increase customer-brand interaction. The campaign rolls out, the take up is great, bubbly for you and your team.

You meet up with the client to assess (anticipating much back-thumping congratulations) only to be met with all the enthusiasm of Eeyore. The client is utterly disappointed. "Whaaaat?! But how is that possible?" your bewildered team asks. It is entirely possible when you and your client have different criteria (or none) for measuring return on investment.

Rule number one, then, when it comes to planning a campaign, has to be defining very specific targets and how these targets will be measured. Driving sales and improving brand awareness are pretty much always the goal, but what exactly does success look like? A 1% sales increase month on month? A 5% sales increase? And over what time period and distribution? Setting ambitious, yet realistic targets with your client is imperative.

These are five pertinent influencers worth considering (and discussing in advance with your client) when it comes to measuring the success of your campaign:

1. Sales volume

An increase in sales is the most obvious goal of any consumer campaign, but how will you measure this? Will you measure sales only during the campaign period or will you measure uptake following the campaign, or will you measure the retention of increased volume?

Measuring sales increase during the campaign period alone may provide an inaccurate picture. For example, some customers may have gained awareness of the brand during the campaign and may only purchase the brand in the weeks which follow. The other critical factor to consider is whether the necessary logistics were, in fact, in place. In other words, was the product and promotional material available in-store for the duration of the promotional period?

If these went on display late or without proper merchandising, or not at all, then you and your team really had no chance of delivering return on investment for your client.

Then there is the time-lag factor.You may see an increase in sales prior to the promotion as retailers stock up in anticipation (this may be up to six weeks in advance depending on the product). Similarly, once the promotional period is over stock will need to be replenished, so you may well expect to see an increase in sales again for up to six weeks after the promotion.

2. Social media uptake

Social media uptake will obviously not initially drive a sales increase, but it is still a very valuable outcome. If this is a factor, what sort of increase in following and interaction would be considered a success? Reactive interaction on social media is imperative to campaign success.

Quick responses with a fresh approach will retain interest. If the social media communication does not remain current and edgy then the brand will not retain the new followers. The promotion might be successful to gain new contacts but maintaining it is part of the ongoing social media strategy, and of course, will help in delivering return on investment

3. Entries

If the campaign takes the form of a competition, have you considered any barriers which may arise from the specific entry method? Does it require technology, cost or effort? Is success measured by the number of unique successful entries or is it measured on all entry attempts? Again, if the entry communication is on the pack or product was there campaign stock on the shelves or was it in the storeroom? Was the communication and sales drive for the promotional stock sufficient? Without stock there will be no entries and thus far less campaign success.

4. The simplicity of your concept

If your beautiful campaign needs explaining then the concept lacks a strong single minded message. Was your call to action or brand statement overshadowed by too much clutter? Did you miss the target market? Beautiful designs that don't speak to the key target market weaken return on investment in a big way.

5. Mitigating factors

There may be socio-economic factors which affect the campaign. For example, the impact of service delivery strikes, increased transport or food costs, and any factors specifically applicable to your product must be considered in your campaign review.

Other factors are the competitive market environment, seasonality and the impact of natural disasters and political upheaval.

The bottom line is quite simple: the success of any relationship relies on good communication and common understanding, and the best way to achieve that is by agreeing on quantifiable objectives together in advance and concluding the campaign with a detailed review, only then can return on investment be accurately assessed.

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