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Chapter 7 Measuring the Impact of Events, Sponsorships, and Speaking Engagements

“There is a lot of noise in the world. And there is a lot of idiosyncrasy. But there are also regularities and phenomena. And what the data is going to be able to do—if there's enough of it—is uncover, in the mess and the noise of the world, some lines of music that actually have harmony. It's there, somewhere.”

—*Esther Duflo*

In an era where so much of business is conducted virtually, meeting customers, prospects, and other stakeholders IRL as they say, or “in real life,” takes on a very different role than it did in the old days of sales calls and personal presentations. In today’s world you need to measure and improve to keep costs down, to compare strategies, and to understand the true value of your events and sponsorships.

Why Events and Sponsorships?

Generally speaking, organizations decide to participate in or sponsor an event with one of three goals in mind:

1. *Launch new products.* Events provide an opportunity to test drive a product or otherwise bring people in direct contact with the brand. So a company might introduce a new product at a trade show so people can experience it in real life.
2. *Drive affinity between customers and the brand.* Sponsorship can demonstrate your brand’s support for something the customer or prospect is passionate about. So a car dealership or restaurant might support a local school hockey team to show support for the community in hopes that the community will reciprocate and support the car dealer or restaurant. Rolex sponsors historic car races to support historic car enthusiasts, who tend to be an affluent demographic that can afford to buy Rolex products. Such sponsorships can build strong ties that result in passionate loyalty. To this day, I prefer Duracell batteries over other brands because the company was a huge supporter of a sailboat race I followed back in 1994.
3. *Reach new markets and customers.* To a certain extent there are events and shows in which *not* showing up says so much about your brand that a company has little choice other than to participate. Your presence at some events can establish your

brand in a marketplace.

Use Data to Support Your Event

Decisions

The one reason *not* to participate in an event or sponsorship is “because we always have.” Whether you decide to participate or decide not to participate, you will need data to support your decision and to evaluate the efficacy of your participation. Without data, you’re basing decisions on nothing more than hunches.

For example, whenever I get a request to speak at a conference, I consult a spreadsheet that compares data on all the speeches I’ve given in the last year. It shows:

- *Total attendees.* The number I can count in the audience or the actual attendee list. Never believe conference organizers; they always exaggerate.
- *Total views.* Actual number of people going to my speech page on the conference’s website.
- *Total leads.* Number of business cards I bring home.

- *Site visits.* People who visit my own website, www.kdpaine.com, and move beyond the Speech archives.
- *Total contacts.* Total Contacts = Leads + Visits + Views
- *Costs.* Includes unreimbursed out-of-pocket costs as well as the cost of my time, less any compensation, speakers fees, or reimbursements.

I use this spreadsheet to estimate the cost per lead, the number of leads per attendee, and the cost per contact. This information helps determine whether I should accept the invitation. Besides helping to make my speaking career more profitable, this form and process saves me hours of consideration and debate when a speaking invitation comes in.

Social Media Has Redefined the Concept of Events

As with most things in marketing today, social media has redefined events. While some organizations are opting for the “instant store” or airport or mall kiosk to get attention, an equal number of marketers are creating virtual events that bring like-minded people together around a cause, a game, or a memory. “Events” is a term that can now refer to an online fund-raiser or an in-person Twestival organized via Twitter. As we

have seen with PR and other outreach methods, the companies that do this best are combining online and real time. What that means for measurement is that there are multiple dimensions to evaluate for any given event.

Events and the Relationships behind Brand

Engagement: How Are People Involved with

Your Brand?

This question brings us back to the importance of knowing something more than just how many eyeballs saw your brand, or how many people walked by your booth or display. A far more valuable measure is how many people are somehow engaged with your brand or your organization, and what is the nature and strength of that relationship?

In his seminal book *Lovemarks*, Kevin Roberts, CEO of Saatchi and Saatchi, describes how we develop relationships with the brands we love. Roberts argues that if a brand offers mystery, sensuality, and intimacy, it has the makings of a Lovemark. I argue that Lovemarks are all about building and nurturing relationships around a brand.

In fact, a 2004 study by Jack Morton Worldwide found that live event marketing—experiences in which consumers interact with products, brands, or brand ambassadors face-to-face—is among the most effective

ways to influence coveted consumer audiences

(www.accessmylibrary.com/coms2/summary_0286-19969873_ITM). The study, an online survey of 2,574 consumers between the ages of 13 and 65 in the top 25 U.S. markets, confirmed that this increasingly important marketing medium resonates strongly across all demographic and product categories.

So sponsorships, events, and other word-of-mouth programs have taken on a far more critical role than ever before. But it is no longer enough to simply measure the number of eyeballs reached by a bunch of banners or T-shirts. Today's savvy marketers are demanding much more than CPM numbers. They are looking to measure the relationships they are developing, both in terms of attitude change and in terms of buying and behaviors.

Seven Steps to Measure

Sponsorships and Events

While measuring trade shows, events, and sponsorships are essentially three different things, the basic steps that need to be completed are similar and follow the seven steps described in Chapter 3.

Step 1: Define Your Objectives

As with any effort, you can't start to measure the success of an event until you know what success means for you. So the first thing to do is get consensus on goals and objectives for the event or sponsorship. If you are dealing with multiple audiences (consumer, corporate, institutional), then list those audiences and attach priority levels to each one.

In my experience, the great majority of companies cite product or corporate awareness as their primary objective. Other typical objectives include the following, each listed with typical measures.

Sell Products

If you are just trying to sell products, then you will use basic measures such as:

- Gross sales per time period, before and after the event.
- Change in length of sales cycle.
- Change in intent to purchase.
- Change in traffic to website or brick-and-mortar locations.

Launch New Products

This goal requires measures such as:

- Increase in market share.
- Increase in market penetration.

- Number of qualified leads for new product lines.
- Ratio of new to existing customers.
- Ratio of new to repeat visitors to website.
- Increase in depth or breadth of customer base.

Drive Affinity between Customers and the Brand

If the event is designed to bring in new clients or improve relationships with old ones, then you will use measures such as:

- Increase in brand engagement.
- Increase in awareness.
- Increase in preference.
- Increase in exposure and dissemination for the company name, brand, or products.
- Increase in company or product knowledge among specific publics.

Reach New Markets and Customers

If you are attending shows to get leads, build fan bases, and/or generate attendees, you will use measures such as:

- Increase in new market-specific sales leads.
- Increase in awareness or preference or intent to purchase in the new market.
- Increase in mindshare.

Step 2: Determine Your Measurable Criteria of Success

Once you've agreed upon your objectives, establish the specific criteria of success that you will measure. If your objective is awareness, a criterion might be the percentage increase of unaided awareness of brand or product. If your objective is to sell product, your criterion might be the incremental sales or traffic to local dealers after a particular PR or promotional program took place.

Consider using metrics that best reflect the health of your business or that best represent customer characteristics that most affect your business, including:

- Percent of attendees more likely to purchase.
- Percent of attendees remembering the brand.
- Number of qualified sales leads generated.
- Conversion rate of attendees.
- Total potential sales (number of attendees x conversion rate x average sale).
- For press events: Number of key editors and analysts attending.
- Percent of attendees writing on or quoted on a particular issue.
- Total exposure of key messages in resulting press.

- Number of tweets or retweets of speeches or presentations.
- Percent conversion from a specific event website to a corporate site.

To a certain extent, your choice of criteria is dependent on the type of event you are evaluating. If the customer experience you are measuring takes place at a trade show or exhibit booth, you might choose as a key criterion the percentage of new visitors or the cost-per-minute spent with a client in the booth. If the experience takes place at an event such as a concert, count how many people were exposed to your brand or the brand experience you were offering. Don't trust the promoter's numbers; do your own counting. I often follow up with a survey to see if attendees remember the brand.

Step 3: Decide Upon Your Benchmarks

The key point to remember about any evaluation program is that measurement is a comparative tool: You need to compare one set of results to something else. The most meaningful comparisons are between different events or between you and competing sponsors at one event.

Define your benchmarks based on the decisions you need to make. Are you comparing show to show or show vs. direct mail vs. Facebook? Are you taking into account different geographies or different time frames?

Are you weighing different types of sponsorships: sailing vs. tennis or sports vs. community?

Step 4: Select a Measurement Tool

In our opinion, the most reliable way to measure relationships with your customers is to conduct an in-depth phone survey using the Grunig Relationship Survey (see Chapter 4 and Appendix 1). This instrument has been thoroughly tested and shown to be an extremely effective measure of how customers perceive their relationships with an organization. The Grunig Relationship Survey includes a number of statements with which respondents are asked if they agree or disagree. Typical statements include:

- This organization treats people like me fairly and justly.
- This organization can be relied on to keep its promises.
- I believe that this organization takes the opinions of people like me into account when making decisions.
- I feel very confident about this organization's skills.

Online surveys are most organization's first choice these days. While they do suffer from self-selecting samples, the advantages of low cost and quick turnaround are hard to beat. They are particularly effective in measuring relationships with members of an organization that are all on a mailing list or Listserv of some sort (Chapter 9).

If you are evaluating whether an event changed perceptions about your brand, most people would think about doing some kind of on-site survey, but that's probably the *last* thing you should do. By far, the most valuable assessment can be derived from a post-show survey that will provide clear insights into visitors' takeaways—their longer-term perceptions and memories. These are much more effectively gathered after the event via an online survey.

My company has conducted numerous trade show surveys, both on-site and after events, with samples composed of people who actually visit a booth. Typically, about 20 percent of people surveyed (and, remember, these are people who had to be in the booth for us to get their names) do not recall visiting the booth at all. We find that whatever people do remember after the show is of greater value than their on-site responses, when they are often most concerned about their sore feet.

For example, data from post-show surveys is far more revealing and reliable about purchase intent. If you ask event attendees at a show if they are likely to purchase a product, chances are they'll say yes just to make the interviewer happy. But if you call after the fact and ask if they have purchased or intend to purchase, the response is far more likely to reflect reality. Remember, however, that in event measurement time is of the

essence. You need the data in time to make decisions, and typically those decisions are made fairly quickly after an event is concluded.

An alternative to the on-site or post-show survey is to closely track website traffic before, during, and after an event to determine if there are any significant changes as a result of the event. Or, if you are a consumer packaged-goods company, you can use scanning data to track sales impact. As an example, Colgate Palmolive sponsored the Starlight Starbright Children's Foundation and promoted it in point-of-sale communications for several specific brands. It then tracked the sell-through of those brands after the sponsorship was launched. As it turns out, the sponsorship was very effective for boosting sales of some of its brands but had little impact on others.

In another example, the Humane Society used a simple "Donate \$1" to judge the effectiveness of a "Cute Puppy Photo Contest" on Flickr and raised some \$650,000. But to correlate events to sales or donations requires close coordination between your web analytics and event planning.

An alternative made possible by the real-time world of social media is to create a hashtag (a nickname for your event preceded by the # sign) to help you search and track any and all references to the event. Then you can follow the real-time comments on Twitter and other social networking sites to see how people perceive your brand or the event.

Step 5: Define Your Specific Metrics

If your goal is to change people's opinions about you—to convince them that you are in the market, or back in the market, or doing better than your competition—then your metrics will be:

- Percent change in perceptions.
- Percent change in awareness.
- Percent increase in preference.
- Percent of attendees likely to purchase.

If your goal is to sell stuff, your metrics might concern greater efficiency as measured by:

- *Cost per contact.* Event budget divided by the number of people who had the opportunity to see your brand, whether in the booth, via other media, on Twitter, or wherever.
- *Cost per lead.* Event budget divided by the number of raw leads you collect.
- *Cost per qualified lead.* Event budget divided by the number of qualified leads.
- *Cost per customer acquisition.* Event budget divided by the number of actual customers acquired from the event.
- *Cost per minute spent with prospect.* This is a particularly useful metric if you are comparing events to direct sales activities. What does it cost you to spend time with a prospect at a show versus the cost of a sales call (typically north of \$300)? You'll need to

count the number of contacts or demos your booth staff make and determine an average amount of time per demo. So, for example, suppose you do 1,000 demos and your budget is \$50,000 for the show. Then the cost per demo would be \$50. If each demo takes 10 minutes you have generated 10,000 customer contact minutes at a cost of \$5 per customer contact minute.

- You can then compare this metric to that for an advertisement or a sales call as follows: Suppose you develop and purchase an ad for \$100,000, and it reaches an audience of 50,000 people. That's \$2 per person reached. Suppose they each spend 15 seconds reading the ad, then the cost is \$8 per customer contact minute. Now suppose it costs you \$500 to get a salesperson in front of a prospective customer for a five-minute sales call. Then a sales call works out to \$100 per customer contact minute, clearly not much of a bargain compared to the ad and the event.
- *Length of sales cycle.* Use your customer relationship management (CRM) system to track the length of the sales cycle for attendees versus nonattendees of the event to see if the event results in faster sales. If you survey your attendees afterward to

determine whether they plan to purchase your products and how soon, you can compare the results show-by-show to your overall company average.

Step 6: Choose a Measurement Tool

Counting Tools

- *A clicker.* Sometimes the easiest thing to do is to just stand in the booth and count bodies. Use a regular clicker and count the average number of people in the booth at the top of the hour. Repeat at random times throughout the day to get an average.
- *Categorization.* It helps to categorize event attendees by the degree to which they are engaged in your event. Are they just looking at your signage, or are they actually entering the booth and having a conversation? What percentage of attendees ends up as leads?

Survey Tools

- We recommend post-show electronic surveys (SurveyMonkey or Benchpoint) because they will test what people ultimately remember about the event experience not just their on-site reactions.

Sales Tracking Tools

- You need a database to enter leads and track them through the sales process, be it a simple contact manager like the one in Outlook, or some form of CRM system like Salesforce or FileMaker.

Web Analytic Tools

- Whether you're an e-commerce company or just drive people to your website for more information, you need to determine whether your activities at the show are helping engage your potential customers. Google Analytics works just fine, but if you're already using something like Omniture or WebTrends it's even better. Create a unique URL for your event to which all event-related traffic is directed. You can then see how much traffic comes into that specific URL and where it goes once people are done on that page. Do they leave your site completely, or do they go elsewhere on your site for information about your products or company?

Content Analysis Tools

- If you want to track what people say about your event, both before and afterward, you will want to scan social as well as traditional media. Assuming you have used a hashtag on Twitter, you should be able to easily track conversations there. You can set up Google Alerts or use your existing clipping service, but

make sure you begin tracking the buzz as soon as you put your marketing materials out there.

- Separate out your self-manufactured buzz (tweets, Facebook page, blogs, SlideShare, etc.) from the content that other people have put out there. Note the medium, the data, the author, and, if possible, the source. Was it from a speaker, an attendee, or a competitor?
- You'll want to analyze all the content for the following elements:
 - *Product mentions.* Did the products you featured at the show appear in the conversations? Did they show up more prominently or visibly than the competitions' products?
 - *Messaging/positioning.* Do the conversations position you in the marketplace the way you want to be positioned?
 - *Key messages.* Do they appear at all? If so, are they fully communicated, or only partially, or—God forbid—inaccurately repeated? Were attendees so engaged that they amplified your messages?
 - *Quotes.* Did you have thought leaders speaking at the event? Were they followed? Were they retweeted? Are they amplifying your key messages?

- *Visibility and prominence.* Were your announcements covered in headlines or were you a minor mention? Did photos appear?

Step 7: Analyze Your Results and Use Them to Make Your Events More Effective

Using a combination of your web analytics and CRM system you should be able to get a good profile of who was at your event and what they did as a result. If you do use a follow-up survey, try to get as much information as possible from visitors as to what made them come, what was memorable, and what they plan to do with the information they gleaned.

Analyze and learn from the survey results. Determine what specific elements engaged them with your brand. What specific part of your marketing program helped them decide to attend? What elements were most memorable?

Don't just compare events; look at the big picture. Are events the most efficient way to get your message across or to get new leads?

Compare online events to real-life events.

How to Calculate ROI for a Booth

at an Event: Was It Worth the Time and Resources?

It is fairly straightforward to determine your return on an event.

First, ask your sales and accounting departments for figures on the average profit margin on a sale and the total cost to attend the event. Then determine how many people visited the booth and conduct a post-show survey of all the leads collected in your booth. Ask respondents if they intend to purchase, when they intend to purchase, and how much they intend to spend. Be clear that you are measuring intentions not actual purchases.

Now use this data to calculate ROI. Here's how it works: If 50 percent of respondents indicate that they intend to purchase and you know that 1,000 people visited your booth, that means that 500 people intend to purchase something from your organization. If, on average, the respondents indicate that they each plan to spend \$1,000 on your products or services at some point in the next six months, then you can project approximately \$500,000 in sales from the show. Now, to calculate the actual return you need to multiply that \$500,000 by your average profit margin on a sale (revenue minus cost of goods sold). So if your profit margin is 50 percent,

you can then assume that the actual revenue from the show will be \$250,000. Now take the show's expenses—including the booth, staff time, travel, and so forth—and subtract them from that \$250,000 and you will have the net ROI for your event.

Don't forget to include accurate costs of attending. Travel budgets are severely restricted these days and a small change in the price of a ticket can make a big difference.

It's important to look beyond simple quantitative data, especially if your objective is exposure, to assess the quality of your communications. Do attendees remember being in your booth? Did they even know you were a sponsor? Did they remember your brand, and the brand benefits or brand positioning you were trying to convey? Did they leave more likely to purchase or to recommend?

When a company clearly defines its objectives, it becomes a relatively simple matter to define a set of criteria against which to measure the company's relationships with its constituencies in different events. Then it is possible to compare and contrast results consistently across a number of different events to ensure that the company has the most effective sponsorship program possible.

Real-Life Event Measurement Stories

The Case of the Unfocused Auto Manufacturer

I met with a major auto manufacturer that wanted to measure the effectiveness of different sponsorships. It was spending many millions of dollars sponsoring car races, golf tournaments, antique car auctions, and a variety of other events. I asked the assembled executives what they were trying to achieve by these efforts. The first response was essentially: “We are a major sponsor of these types of events.” Finally, after about two hours of discussion, we agreed that the business objective was to drive potential customers into dealer showrooms.

We began a series of surveys at each event to determine first if the attendees remembered the sponsors and second if they were more or less likely to test drive and/or buy the auto manufacturer’s car. We collected names at the event itself and called attendees two weeks after the event. Our results showed that, on average, 50 percent of all attendees were more likely to test drive one of the sponsor’s vehicles after attending the event. After we had measured several events, we were able to compare and contrast the cost effectiveness (dollars per person reached) of different events. See Figure 7.1.

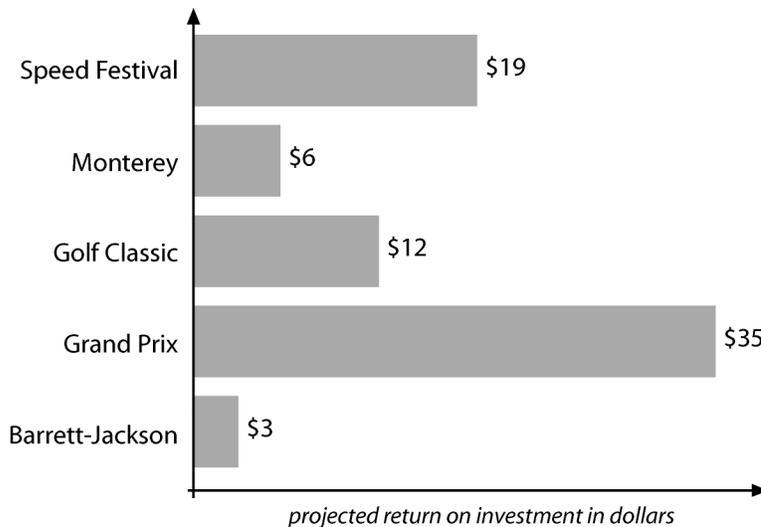


Figure 7.1 Comparing events with projected ROI. Event results varied greatly.

These results led the auto manufacturer to alter its sponsorship strategies dramatically and focus more on golf and antique car events rather than traditional car races. It also enabled the sponsor to better understand the ROI from each event. By looking at the percentage of people more likely to go to a dealership, it could determine the number of potential buyers. By subtracting the cost of the sponsorship from the projected number of car sales and the profit, it determined a projected ROI from the event.

Country Music Television Tunes In to Its Viewers

Country Music Television (CMT) had a program of sponsoring country music concerts in Walmart parking lots. The concerts would move from location to location in tractor trailers. Prior to getting in touch with me, CMT

had measured results by asking the truck drivers how many people showed up. Realizing that this might not be the most accurate methodology, it contracted with my company to design a measurement program for these events.

CMT's stated purpose was to convince attendees to call their local cable company and request CMT, or to take some other action on behalf of CMT. We agreed with CMT that the common criterion against which we should measure all events was an ad-hoc measure we called "level of engagement." This was defined as the average response of attendees, on a scale of 1 to 5, when asked how much the parking lot event affected their relationship with CMT. We further defined success as an increase in the percentage of people willing to take action on behalf of CMT. A sweatshirt giveaway was included at the events to collect names and addresses of attendees. We surveyed a sample of these people by phone two weeks after the event.

Our surveys showed that 93 percent of attendees were willing to take some action and 89 percent were willing to make a phone call to their local cable company. We then compared results between different events in different cities so CMT could determine where to expand the program the following year.