



Talk is Cheap...ROI is not

By Kevin Sweeney
Vice President, Brandscape Marketing
Showtime Enterprises, Inc.

It is on everyone's lips. It is included in everyone's seminar and educational track; it is in every RFP; it is asked for by management, board members and by shareholders. It's ROI.

If Return On Investment is the hottest topic since the Internet, why does a survey recently conducted by Showtime Enterprises, Inc. of marketing leaders across several industries find that although 80% were accountable for million dollar programs, the majority of them had no formal system for measuring the return on their most significant marketing investments?

The answer is so simple it is frightening: **Budget!**

In the three-dimensional marketing industry we create budgets for trade show booth space and budgets for the exhibit structure, for the pre-show communications piece, the on-site promotions, the venue, the travel and entertainment, and so on. When was the last time we saw a budget allocation for ROI?

News flash... the measurement of ROI costs money. The systems, metrics and analysis all cost money. It is too late in the game to think about "*what is my ROI going to be*" once the budgets and tactical plans are completed and approved.

Since ROI is different for many organizations and many different industries, let's start by defining ROI, and then review the key steps to measuring and realizing it. ROI can mean several things: *Return on Investment*, *Return on Information* or even *Recall of Initiative*.

Return on Investment

The easiest way to show return on investment would be to track all contacts from a given event, through the sales process, to actual conversion. Reality dictates, however, that this isn't always an easy task as there are many influences touching the prospect along the path to conversion. Some examples of key touch points, depending on the product, include retail experiences, web, direct mail, or a direct sales force – not to mention in some cases simple word of mouth around the water cooler.

Secondly, the sales cycle of some products or services often takes months or even years to complete. We may be showing return years later for investments made in the past -- or worse, after we have been downsized out of budget or even a job.

Return on Information

Since trade shows and events are the only form of marketing communications that facilitates a face-to-face, free exchange of information to flow from company to customer and more importantly from customer to company, the information collected there is critical in developing a relationship sales approach. How we use this learned information as an organization will provide the return.

For example: The marketing group creates materials and sales presentations that are designed to convince a group of doctors of the efficacy of particular drug. We then uncover at the tradeshow that most doctors visiting the exhibit understand the drug's efficacy but have concerns about its safety profile. With that key information, we can adjust our marketing and sales initiatives in real-time to deliver a more effective message, one the doctors need to hear in order to recommend or prescribe the drug.

Recall of Initiative

Brand recall is becoming an increasingly desired result as trade shows and events become a bigger part of overall marketing awareness campaigns and branding efforts of companies. When considering brand awareness measurement, a marketer needs to break through the clutter and touch the trade show attendee in a unique way.

Products are tangible. Services may seem intangible. However, experiences are memorable. It is these brand experiences that can move an attendee from a position of brand awareness to a position of brand enthusiasm. In the case of a leading footwear manufacturer for the golf industry, the company's goal was to have the audience actually experience the all-weather performance of their product line by eliciting multiple senses in the experience. This was intended to emotionally engage the attendee. The emotion in this instance is that the product line will enhance playing performance. It's the emotional concept that regardless of the weather or seasonal conditions, the player can still enjoy the game.

Four Steps to Planning ROI

Regardless of how you define ROI, there are basic steps to follow when developing a comprehensive ROI plan:

1. Clearly state your goals and objectives for participating in the trade show or event. No "pie in the sky" dreams are allowed here -- only truly measurable and obtainable goals. Rather than declaring a generic desire to create awareness, it is

better to set a goal of moving the level of awareness by 20 percent in a definable crowd. Similarly, it's not enough to just want more sales. The goal needs to be defined in realistic terms including not only how much, but from whom. That will make the difference between under-performing and making your numbers.

2. Now that you know what you are going to measure, you need to create a set of tactics that can measure for the affect or desired result. Typical examples of such tactics include tracking surveys and data capture.
3. Create a tactical plan in support of the goals and objectives you stated from the outset, and be sure to include the ROI tactics.
4. Develop a budget for the execution of the planned tactics. There is no magic number or guidepost for this. It can range from a couple of thousand dollars to hundreds of thousands. The amount depends on what you are measuring and how you go about it. But the tactics should drive spending not the other way around.

Your spending guideline should be based on what kind return you're looking for. If you want to measure Return On Investment, for example, then you need to consider the cost to you and how much you need to recoup to break even. Ask yourself if your goals are attainable given the budget you have to work in. Don't set sales goals attainable with a \$5 million budget when you're only spending \$200,000.

Whether you work from an annual or event specific budget, you must include the line item to support a well-planned ROI plan. Remember, ROI does not ensure the success of a marketing program, only the confirmation that one exists.

For more information contact:
Christen Graham
Warner Communications
207-829-6336
christen@warnerpr.com