4 Marketing Metrics and Measurement

4.1 Introduction

Much for-profit marketing industry discussion around marketing metrics is focussed on the use of costly research agencies, or on ‘sales’, which is not necessarily a category that applies to not-for-profit organisations (although it could be adapted in some instances). Not-for-profit organisations not only tend to have limited budgets for advanced metrics/measurement programs, they also need to generate metrics around very different KPIs – for example, engagement, behavioural change, and attitudinal change.

A not-for-profit metrics ‘dashboard’ will need to include a range of metrics that are generally not relevant to the for-profit sector, with evaluation methods that are able to be completed in-house, or at very little cost.

It is important to note that in discussing marketing metrics, we are not talking about measuring the effectiveness of service delivery (customer satisfaction), we are talking about measuring the effectiveness of marketing activity – has our marketing activity generated the desired impact? However, customer satisfaction may be a measure that could be used to indicate whether the external brand promise is being matched by the internal reality of a customer’s experience with your organisation. In that instance, taking a measure of customer satisfaction would provide an insight into the health of your brand, however customer satisfaction is not specifically covered in this section.

4.2 Getting Started

When designing a metrics system, there are two key questions:

1. **What should we measure** (which metrics should we use to determine whether we achieved our marketing goals, and which metrics will provide data that will inform our key marketing planning decisions)?

2. **How should we measure** (what is the most appropriate methodology to collect the measures we are seeking)?
4.2.1 Selecting Metrics – What Should we Measure?

Marketing metrics will vary for every organisation, so it’s important to select metrics that are relevant to your organisation and most importantly, your marketing goals. Hence the first question to ask in determining what should be included in your ‘metrics dashboard’ is – what are your marketing goals (linked back to organisational goals). All marketing activity should be linked to a clear purpose or goal, hence what we are seeking to determine through marketing metrics is whether the marketing activity we undertook was effective in delivering on these goals.

When designing a metrics system, it’s not enough to answer – did the marketing activity deliver on our marketing goals? We also need to be able to determine how/if we should alter investment, channel selection and creative in future campaigns. If it worked, that’s great – but what do we need to know to make it better (which part/s of the campaign can we attribute to the success)? And if it didn’t work, what do we need to know to ensure success next time (which part/s of the campaign let us down)?

In broad terms, not-for-profit marketing metrics can fall into a few different categories, depending on the goals you are seeking to achieve:

- Competitor activity (benchmarking) – how are we tracking against competitors?
- Brand metrics – did we raise awareness of the brand and/or engagement with the brand, and is our brand healthy?
- Direct response metrics – did we generate the desired action?
- Channel metrics – are our channels/tactics effective?

Within each of these categories, there are a range of metrics that may be useful.

**Brand metrics**

Brand metrics are designed to measure whether awareness of a brand or engagement with a brand (brand equity) has increased or decreased. This is an important metric in establishing how much or little ‘goodwill’ an organisation may have. Goodwill is known over time to have a positive impact on call to action campaigns, hence it’s important to track whether you need to ‘top up’ your organisation’s goodwill. Measures in this category could include:

- Prompted brand awareness
- Unprompted brand awareness
- Engagement
- Emotional connection with the brand (positive, neutral and negative)
- Brand associations
- Customer satisfaction

**Direct response metrics**

Direct response metrics are designed to measure whether marketing activity generated the specific desired action (as determined by the marketing goals). There are a multitude of measures that could be included in this category, depending on the specific call to action in your advertising campaign. Some of these measures could be:

- Downloads
- Phone calls
- Participation on social media sites
- Visits to the website
Competitive metrics

Competitive metrics are designed to determine how you are tracking against your competitors (often a favourite of executive teams and Boards). While it’s important to understand whether your marketing activity is generating positive results for your organisation, it’s also important to understand how your competitors may be tracking – you may be generating great results, but if your competitors are still doing better, you may have more work to do. Measures in this category could include:

- Brand preference
- Share of voice (mass media)
- Share of voice (free media)
- Tactics/positioning

Channel/tactics metrics

Channel metrics, or individual tactic metrics, involve measurement of a particular tactic/channel in isolation. The difficulty with channel metrics is that often it’s very hard to link the effectiveness of one particular channel directly to marketing goals (for example, whether we sold more or less merchandise than we anticipated gives no indication as to how we are tracking against our overall marketing goals – unless our goal is to sell merchandise). Hence it is suggested that channel/tactic metrics be used sparingly and a broader approach (utilising metrics from the above three categories) be utilised as the primary determinant of marketing effectiveness. However, if you were to measure individual channels/tactics, some measures might be:

- Event attendance/participation
- Target Audience Rating Points (TARPs)
- Relationships generated
- Post event surveys
- Merchandise sales

When selecting what to measure, it is important to ensure that collecting this information will not simply produce data for data’s sake, but will provide you with information that will enable you to make relevant decisions (for example, should we increase or decrease investment in our key marketing channels, or should we engage in more or less online activity?).

4.2.2 Selecting Methodologies – How Should we Measure?

Once you have selected the types of metrics that will make up your metrics dashboard (those metrics that will allow you to make decisions about your future marketing activity), the next step is to determine which methodology you will use to collect measurements. Note that the order of this process should not be inverted – it is always best to start by determining what you want to measure, as opposed to how you will measure it (otherwise you risk collecting metrics that may actually be completely irrelevant to decision-making).
In selecting a methodology, it’s important to ensure that you are collecting measures from within a relevant stakeholder group. For example, if your primary goal is to increase donations, there is not much point measuring brand awareness amongst a broader stakeholder group. The methodology you select can sometimes depend on your audience, for example if you’re looking for a reading on brand awareness amongst prospective aged care customers, there is not much point using an online survey, as the majority of this group will not be comfortable with that medium. It’s important to consider who your audience is and how you can access them before you select a methodology.

Many of the methodologies available to the for-profit sector are not so readily available to the not-for-profit sector (as very limited funds are available to pay for advanced research and tracking programs). Often, not-for-profit marketers must design creative in-house methods to measure marketing performance, ensuring that the research doesn’t cost more than the actual value it will have in driving marketing decisions. Below are some of the most commonly used metrics methodologies in the not-for-profit sector.

**Brand measurement methodologies**

Given the budget restrictions that are often faced by the not-for-profit sector, DIY qualitative research is generally the best methodology. This involves developing surveys (either paper-based, online or phone-based) and distributing them to your key market segments (a read amongst 30-40 people is enough to gauge awareness). A useful way to access people in your key markets who you do not yet have a relationship with is by finding a ‘decision maker’ or connection point within the market (for example to reach a Christian audience, you might approach the pastor of a church, or to reach an older age group, you might approach a Rotary Club) and ask whether they would be able to distribute your survey to their contacts. See the Appendices in Section Two of this Tool Kit for an example of a focus group discussion guide.

DIY qualitative research could also involve focus groups, which are generally accepted as the ‘best practice’ methodology for measuring brand awareness and customer perceptions in the not-for-profit sector. By approaching a decision-maker in the market for a list of names, and offering participants a small monetary incentive, it is possible to collect useful metrics using this method. Qualitative surveys should be done regularly, ideally each quarter, as they are only ever a ‘moment in time’ snap shot.

It may also possible to ‘tag along’ with an existing Omnibus survey, by having one brand-related question added.

There are of course research agencies that can undertake detailed and complex brand tracking surveys, however the costs of such surveys are generally not affordable. However, if you are able to partner with one or more other not-for-profit organisations in your industry, this can become an affordable option, where you will all gain useful insight into the strength of your brand, while also gaining a benchmark measure against others in your industry. It is often worthwhile establishing networks with other marketing professionals in your industry for purposes such as this.
**Direct response (call to action) measurement methodologies**

Depending on the nature of your call to action, there are a range of ways to measure effectiveness, all with the aim of answering the question - was your call to action taken up?

**Telephone call to action**

If your call to action directed people to a telephone number, it is important to have a form available (either paper based or through your intranet) that the reception teams fill in to track how many calls are coming through, and where the caller heard of you.

**Website call to action**

If your call to action directed people to your website, it is best if possible to establish a micro site or a specific page to direct people to (this will make tracking much easier). There are a range of programs that will track your website statistics for you and generate automatic reports (such as Google Analytics).

**Social media call to action**

If your call to action directed people to your social media pages, the best measures will be engagement statistics on your pages. Program such as Klout can connect to all your social media accounts and give you a total measure of engagement.

**‘Sign up’ call to action**

If your call to action directed people to sign up for an event, or e-news list, or mailing list, the number of people that register through those mediums will give you a read on your success.

**Advocacy call to action**

Measuring the impact of advocacy (particularly in relation to behavioural change) is much more difficult. The measures selected will depend on the specific call to action, however some industry bodies or health care agencies may be able to provide statistics that are relevant. For example, one of the measures that the Heart Foundation used to determine the effectiveness of their Early Warning Signs campaign was the number of calls made to 000 (an indicator of the desired behaviour change).

It is important to be very clear on the call to action in your marketing materials, as this will determine how easy (or not) it is to measure success. Ensure that you are clear on what it is you are asking people to do (or stop doing in the case of social change/advocacy campaigns).

With all measures, it is useful to overlay your direct response results (how many phone calls or web visits you received) with the timing of key activities in your marketing program, in order to reveal any correlation. Testing different channels at different times of year is a useful way to reveal which channels are most effective at driving your call to action.
Competitive measurement methodologies

There are a number of ways to track competitor’s marketing activity with the aim of determining their market share, media spend, free media reach (editorial) and marketing tactics/positioning.

Market share

In some industries it is possible to collect pooled data on the market share of competitors. This is often available through secondary sources such as Government websites or annual reports. However it is important to note that in some instances, market share is not a relevant measure, for example while it may be possible to determine where an organisation sits in regards to total government funding, if your marketing activity is not directed at securing government funding, then this is not a particularly relevant measure.

Share of voice (mass media)

If you have budget available, media-buying agencies will be able to provide you with a breakdown of the mass media spend of selected competitors over various timeframes. This provides a useful indication of the relative ‘share of voice’ of your mass marketing over competitors. However, media buying agencies are only able to track paid mass media advertising, which often doesn’t cover the full spectrum of a competitor’s marketing activities.

Share of voice (editorial)

Again, if you have some budget available, and depending on the importance of this information to your ability to make campaign related decisions, companies like Media Monitors are able to track the reach of value of your media (free editorial media) over your competitors. While many executive teams favour these type of metrics, it is important to ask yourself whether you are actually able to make any decisions following collection of this data. If the data is only interesting to executive teams, but not relevant in guiding your own marketing activity, then it's probably not worth the money.

Tactics/positioning

It’s often useful to have an idea of what your competitors are up to on a monthly basis, particularly if there is change occurring in your market. A simple monthly web search of competitor websites and social media channels, with any key activities recorded in a simple spreadsheet detailing type of activity and positioning, can be a great tool for keeping an eye on others in your industry. Spending one day a month on this activity can alert you to key moves of your competitors and allow you to respond quickly if required. It’s also a useful internal positioning tool for the marketing function – distributing competitor intelligence reports to management teams in a very simple format helps to establish the value/worth of the marketing function.

Channel/tactic measurement methodologies

In addition to metrics within the three categories above, you may wish to measure the effectiveness of specific channels (although caution is recommended in this approach, as often measuring individual channels in isolation does not provide an indication of whether you are achieving your marketing goals). Some suggestions for measuring the effectiveness of individual channels are below.

Event sponsorship

Aim to collect feedback through a post-event survey - either distribute a survey to attendees following or at the event, or ask the event organiser to include a question relating to your sponsorship in their post-event survey.
**TV**
The most common measurement of TV impact is Target Audience Rating Points (TARPs). TARPs is a term used in audience research to assess whether a commercial reached the desired audience. For example, if a TV commercial is watched by 10% of the target audience it achieves 10 TARPs. When all the TARPs for individual commercials are added up, they become Gross Rating Points (GRPs). TARPs can be useful in determining the reach of your advertising amongst your target audience (and for example can point out that often CSAs register no TARPs, hence their value is questionable).

**Newspapers/magazines**
The publication you are advertising in will be able to provide you with readership statistics, indicating how many people were exposed to your ad. However, unlike TARPs, distribution statistics are not able to indicate how many of the viewers of the ad were actually in your target audience.

**Expos**
It’s useful to try and include a call to action at an expo, to try and reveal the value of the event by the number of relationships generated. This might be sign-up to a newsletter list for example. You could also measure the number of items that you distributed.

**Events**
Events can be measured through simple post event surveys, and attendance rates.

**Merchandise**
The amount of merchandise distributed or ordered can provide an indication of demand, and potentially give an indication of ‘reach’.

**Collateral**
The amount of collateral distributed or ordered can provide an indication of demand, and potentially give an indication of ‘reach’.

Often the best way to measure the effectiveness of individual channels/tactics is to build a question relating to channels into your direct response metrics. For example, if your call to action directs people to phone a certain number, the person answering the phone could ask where the caller heard of the organisation. However this is also somewhat problematic, as it is generally accepted that it takes seven ‘touches’ to convert a prospect into a ‘sale’, and it’s not possible to determine what all of those seven (or more or less as the case may be) touches may have been. In addition, often the caller is not necessarily aware of where they heard of the organisation (for example in a recent World Vision campaign, many callers stated that they heard of World Vision on TV, however in that particular campaign period, World Vision was not advertising on TV).
4.2.3 Engaging an Agency

Research agencies are particularly useful for the collection of qualitative metrics (those related to brand awareness and brand associations for example), and can also be useful in collecting quantitative data from a large population base that you may not have access to. Below are some tips relating to the use of research agencies.

1. Always review your agencies on an ongoing basis (every six months). Some agencies can become ‘sloppy’ over time.

2. Always link any agency work back to your marketing objectives and goals – ensure that your agency is clear on your marketing goals.

3. Ask to see samples of an agency’s past work, and if possible, talk to their past clients.

4. Always ask questions if you are unsure of anything.

* Review consists of:
  - Evaluation of account management (assess your account manager).
  - Evaluation of creative services.
  - Evaluation of media planning and buying.
  - Evaluation of quality of work, pricing and customer service.
  - Evaluation of overall agency i.e. achieving market objectives, understanding of client briefs.

What if I can’t afford an agency?

There are plenty of tools available for developing and implementing in-house marketing measurement programs. The only note of caution is to ensure that you don’t bite off more than you can chew – collecting marketing metrics can take a significant amount of time, and needs to be repetitive and ongoing to allow for trends analysis. If you are planning to implement an in-house metrics program, make sure you allow for the time in your role, or a team member’s role, to allow for collection of data on an ongoing basis.

4.3 Budgeting

As with market/customer research, your first consideration in setting a budget for marketing metrics should be the value of the decisions you’re seeking to influence. Marketing metrics is all about improving campaign effectiveness, so your research shouldn’t cost more than the value it will have in determining whether your campaign was effective.

As a general rule, you should aim to spend around 5% of your total marketing budget on collecting metrics.
4.4 Check lists

Before you finalise your marketing metrics dashboard, ask yourself the following questions:

- Am I able to make actionable decisions from these metrics – will these measures give me the evidence I need to alter marketing channels or marketing investment for increased future success?

- Is the research worth it – is the cost of obtaining the measures more than the value they will have in driving marketing decisions? Remember that in some instances, the business will require you to collect metrics regardless of their value, for example for use in preparing tender documents.

- Am I collecting data within the relevant audience – are these the key markets I’m seeking to reach?

- Have I setup a metrics program that I can manage on an ongoing basis (measurement must be recurrent in order to monitor trends – ideally quarterly), or have I taken on too much?

- Have I incorporated metrics from the three key categories: brand metrics, direct response metrics and competitive metrics?

- Do I need a systematic metrics dashboard such as the Balanced Score Card to consistently monitor my marketing activity performance?

4.5 Top tips

Keep it simple to begin with

If you are developing a metrics program for your organisation for the first time, start with the basics and keep it very simple. That way it will be manageable, and you can build it up over time.

Limit the number of metrics

Stick to around five key metrics (or categories of metrics). More is not necessarily better. In fact, it can just make things more complicated.

Ensure balance

Ensure a balance in both the type of metrics and the methods you are using to collect the metrics – avoid relying on one type of metric, or one method to determine success. Ideally, aim to collect metrics in each of the three not-for-profit metric areas: brand, direct response (by each channel if possible) and competitor. Ideally, also use both primary and secondary sources to collect your data.

Create a visual

Once you have selected your key metrics, map them in some kind of visual format, to make it very simple for others in the organisation to understand how marketing success is measured. If possible, map/link them directly to your key marketing goals in a visual format.

Measure regularly

Aim to take a measure of all your key metrics at least every six months, and your ongoing direct response metrics monthly, to ensure corrective action can be implemented as needed.
When reporting, consider your audience
Who are you preparing marketing metrics reports for? What information does your audience want? It’s often valuable to draft a metrics report and then seek feedback from those who you will be distributing the report to, to ensure that it is relevant. Metrics presented to the board should reflect the reality that boards have limited time to review information. Board members are generally interested in key features (dashboards and graphs work well) and financial metrics.

Measure only from within the relevant stakeholder group
If you are measuring brand awareness or brand equity, ensure that you are taking a reading from within the relevant stakeholder group. There is no point measuring brand awareness or engagement amongst the general population, or amongst existing customers. Take the time to access the relevant sample group for testing.

4.6 Traps and Pitfalls
Below are some tips for what to avoid when establishing a marketing metrics program for your organisation:

Putting metrics into report formats that are not relevant to non-marketers
It’s important that your audience is able to easily interpret the results.

Collecting data for the sake of collecting data
If you are going to invest your time in collecting marketing metrics, only collect data that will allow you to make more informed future decisions.

Avoiding marketing metrics altogether
All marketing activity should be measured. Think creatively and avoid using ‘too hard’ or ‘too expensive’ as an excuse for not collecting the data.

Forgetting to measure internal culture
One of a not-for-profit organisation’s biggest assets is its staff – they are your passionate advocates. If they are speaking about you in one strong united voice, this can have a significant impact on the strength of your brand. Conversely, if they are speaking in a disparate voice, or if they are speaking badly of your organisation, this can significantly damage your brand.

4.7 Tools and Resources Available
The comprehensive ‘Dictionary of Marketing Metrics’ on the AMI’s website (members only access) may be of use in selecting metrics: http://www.marketingvalue.com.au/Resources/dictionary.asp

Klout measures your influence in your social networks: http://klout.com/home

Google Analytics is a useful tool for measuring your website statistics: http://www.google.com/analytics/

The Definitive Guide to Marketing Metrics, while directed to for-profit metrics, can provide some useful advice: http://docs.cdn.marketo.com/definitive-guide-to-marketing-metrics-marketing-analytics.pdf

Survey Monkey is a great resource for developing and distributing simple online surveys: http://www.surveymonkey.com/