

14 Evaluation

Introduction

The Evaluation stage, which begins during the SET MESSAGE planning process and is completed after the experiential marketing campaign is implemented, is arguably one of the most important stages of the campaign cycle (which are: planning, activation and evaluation), because even if your strategy was fabulous and your activation was flawless, if you don't effectively evaluate the campaign results then there is nothing tangible indicating that the campaign was successful.

It is very important to remain results-oriented when planning, activating and evaluating experiential marketing campaigns. It is true that there are many 'fluffy' benefits to experiential marketing, but, as previously discussed, there are also many tangible and quantitative benefits to be gained. By using the same metrics and Evaluation approaches across all your experiential marketing campaigns, you will enable benchmarking and comparison, and LROI measurement, not only in regard to comparing one experiential marketing campaign with another, but also in terms of comparing an experiential marketing campaign with a previous marketing communications campaign run without an experiential approach.

As previously discussed, live brand experiences should be placed at the core of experiential marketing campaigns. The unfounded myth that they cannot be evaluated properly arose for a number of reasons, including the fact that non-experiential marketing specialists are a popular choice for clients that want to plan and activate high-profile live brand experiences. Some of these campaigns have been managed

by full-service agencies for big clients without thinking about how to evaluate until after the campaign is finished. Essentially experiential marketing can include any marketing channel as long as the live brand experience is at its core, and the other selected channels are designed to amplify the live brand experience. The traditional channels can still be measured and evaluated using the common metrics that are accepted across the industry, while the live brand experience channel lends itself especially well to easy and comprehensive Evaluation, due to the two-way interaction with consumers. The human interface, direct engagement and relationship building with participants that characterize live brand experiences are all reasons why they are in fact often easier to measure than many other channels. However, it is true that there is not one consistent method used by all experiential marketing agencies for measuring and evaluating live brand experiences. As a result, it makes it harder to benchmark the results of a live brand experience implemented by one agency against the results of a similar live brand experience implemented by a different agency.

It should be acknowledged that this lack of a widely accepted Evaluation approach does contribute to a difficulty in comparison and benchmarking of live brand experience results. Hopefully this phenomenon is only temporary and is a symptom of the fact that live brand experiences and the experiential marketing methodology as a whole are part of a relatively new approach to marketing communications. In time there will be more consistency in the metrics. This SET MESSAGE planning system aims to unify the ways in which experiential marketers evaluate their experiential marketing campaigns, with a strong emphasis on how to evaluate live brand experiences.

This chapter covers two different steps, the first being how to complete the Evaluation part of your SET MESSAGE plan, where you will plan and summarize the ways that you will evaluate during the campaign (the Gauging effectiveness stage) and the second the actual Evaluation stage, which is how you will evaluate the experiential marketing campaign once it is over.

It is hoped that from reading previous chapters you have already built in Systems and mechanisms for measurement into your plan, and already know how you will go about Gauging effectiveness during the campaign's progress. Therefore, by the time that you come to evaluate the campaign post-activation, you will have acquired plenty of qualitative and quantitative data for you to format and analyse. If the experiential marketing campaign is ongoing, then you may want to break it up into chunks and complete the Evaluation stage at the end of each chunk.

After the campaign is over, the results from the amplification channels should be straightforward as those channels have common metrics. The

results from the live brand experience channel that were collected in real time when you gauged the effectiveness of the activity should be combined into a report that includes the results of the amplification channels. The two sets of data form the body of information and intelligence that you will then dissect to evaluate the experiential marketing campaign as a whole.

Your Systems and mechanisms for measurement should have been built into the live brand experience, and the Gauging effectiveness stage should have been completed during the campaigns process. Even if this is all handled by an experiential marketing agency and their live brand experience team, you may want an external market research agency to complete a formal independent audit. The combined results should form the basis of information and data that you (or your experiential marketing agency) will work with when evaluating the campaign.

The written Evaluation section

This section of the SET MESSAGE plan should outline the ways in which you will evaluate the campaign once it is over. If you refer back to Chapter 11, you checked which Systems and mechanisms for measurement corresponded with your selected Experiential objectives (by checking the table provided), then you prepared your own table detailing the Systems and mechanisms that you would use for measurement. That table acts as the basis for the experiential scorecard.

The experiential scorecard will be featured in the Evaluation part of the SET MESSAGE plan. It is a table that acts as a quantitative measure of both quantitative and qualitative Systems and mechanisms for measurement. It should be formatted as a table that shows the appropriate measurement mechanism or system and its corresponding objectives, the estimated results (which you will fill in at this stage of planning), and two blank columns for the actual results and comments, detailing theories on why any positive or negative variation occurred, which will both be filled in during the Gauging effectiveness stage; see the example in Table 14.1. After completing the written Evaluation part of your SET MESSAGE plan, your experiential scorecard should therefore include estimates that show the anticipated results.

These estimates should be completed based on past experience and should always be realistic. The locations of the live brand experience (whether it is face to face or remote) should be able to provide footfall or visitor data that can help in determining how many people will be at the live brand experience. If the live brand experience invites people to it, then the number of people who have confirmed attendance should also be able to guide these estimates. It is important to factor in the length

Table 14.1 Experiential scorecard

<i>Car X Experiential Campaign Q2</i>			
Measurement mechanism + corresponding objective	Estimate	Actual	Comments
OTS (opportunity to see) [Objective: Raise awareness]	658,000		
Word-of-mouth reach ¹ [Objective: Drive word-of-mouth]	2.56 million		
Number of interactions [Objective: Drive word-of-mouth]	150,000		
Increase in awareness of key communication message (survey Q1) [Objective: Communicate complex brand messages]	30%		
Increase in perception of Car X as a stylish as well as capable vehicle (survey Q2) [Objective: Position the brand as x]	65%		
Number of visitors to Car X website that clicked from micro-site [Objective: Drive traffic to website]	40,000		

¹ Jack Morton studies show that each person who interacts in an experiential campaign tells an average of 17 people (source: Kevin Jackson, at Jack Morton).

of time that it takes for participants to complete their interaction in the live brand experience, as well as the maximum number of participants that can be involved at any one time. Other things to factor in when estimating are the number of Brand ambassadors, the number of locations in which the brand experience is occurring, and the number of days that the experience is taking place; also include the estimates for the results of the amplification channels.

The Evaluation part of the plan should also list and describe the documents or presentations that will be shown to the client at the end of the campaign for review, from either the experiential marketing agency or other agency partners to the client, or from an in-house team directly to internal and external stakeholders.

The campaign Evaluation (post-campaign)

The Evaluation packet will be prepared after the campaign and should be presented in the agreed format that was specified when you completed the written Evaluation part of the SET MESSAGE plan. It is likely to contain:

- the completed experiential scorecard;
- an ROI and LROI analysis;
- a change analysis;
- visual evidence review (video edits and photos);
- an SW+I report (strengths, weaknesses and insights).

All of the above will be explained in detail in the course of this chapter.

The order that the elements above are listed in is a recommended order in which to conduct the post-campaign Evaluation process. The rest of this chapter will explain how to perform each step.

Experiential scorecard

The experiential scorecard is based on the same table that you created when you completed the written Evaluation part of the SET MESSAGE plan, but at this stage should also show the completed ‘actual results’ and ‘comments’ columns. An example is shown in Table 14.2.

Table 14.2 Experiential scorecard post-campaign

<i>Car X Experiential Campaign Q2</i>			
Measurement mechanism + corresponding objective	Estimate	Actual	Comments
OTS (opportunity to see) [Objective: Raise awareness]	658,000	700,000	Based on mall footfall data.
Word-of-mouth reach ¹ [Objective: Drive word-of-mouth]	2.56m	3.15m	Higher than planned, due to a higher number of interactions than anticipated.
Number of interactions [Objective: Drive word-of-mouth]	150,000	175,000	It was higher than anticipated due to a higher footfall than usual.
Increase in awareness of key communication message (survey Q1) [Objective: Communicate complex brand messages]	30%	50%	Survey results showed a 50% increase in awareness of the key communication, when participant data were compared to non-participant data, collected during the campaign.
Increase in perception of Car X as a stylish as well as capable vehicle (survey Q2) [Objective: Position the brand as x]	65%	40%	The increase in perception was not as big as anticipated due to Car X's existing positioning as capable, along with a common view among is both participants and non-participants that the car was stylish.
Number of visitors to Car X website that clicked from micro-site [Objective: Drive traffic to website]	40,000	72,650	The number of hits to the micro-site was higher due to the number of participants and word-of-mouth reach being higher.

¹ Jack Morton studies show that each person who interacts in an experiential campaign tells an average of 17 people (source: Kevin Jackson, at Jack Morton).

The experiential scorecard's purpose is outputs; even qualitative questions have been quantified to show an increase or decrease in a common response. As long as the previously defined Systems and mechanisms for measurement were chosen in line with the Experiential objectives (using the chart provided in Chapter 11), then the experiential scorecard should facilitate easy Evaluation of whether those objectives and their targets were met. The comments should throw some light on why a positive or negative variation occurred between estimated and actual results.

The experiential scorecard quantifies results in a tangible way that can justify the spend on experiential marketing initiatives. The process of tailoring the metrics to the Experiential objectives during the Systems and mechanisms for measurement stage, then Gauging the effectiveness of the campaign in relation to the metrics, and finally formatting the results in the experiential scorecard during Evaluation, is a full circle of measuring the desired outcomes against the actual outcomes while learning from any variations.

ROI and LROI

'Return on investment' originated as an accounting term but is usually regarded as a grey area in marketing, often being loosely referred to as what results are generated from a campaign. The term 'ROI' can be used as a financial measure of the actual percentage of profit made, as a direct measurable result of a campaign. For that to be instantly possible in the case of a live brand experience, the experience would need to be either near to a store that sold the product being promoted, or there would need to be a traceable mechanism and incentive in place, such as redeemable sales promotion vouchers or online promotional codes. All this clearly points towards short-term thinking. This also implies that the goal of the investment is an instant sales uplift and suggests that it is necessary for sales promotion to be involved.

Another way to look at the return is in the context of a long-term experiential marketing strategy, where the ultimate objective of the live brand experience channel is to convert participants into loyal customers, then into brand advocates, and finally into brand evangelists. In this case, the return can be measured by how far the live brand experience succeeds in moving the consumer through the advocacy pipeline.

With that said, it is clear in business that good healthy sales and market share are the ultimate goals. There is no reason to think that the goalpost is moving, in fact far from it. The value of a customer who talks about your brand as if it were a trusted friend, and considers his or her relationship with your brand to be a two-way street, is priceless. People

trust people, and there is nothing that could be more desirable from a business perspective than your target audience spreading positive word-of-mouth about your product to their peers. It is proven that personal recommendations are the most likely factor to influence purchase consideration, and the lifetime value of the customer is far greater than the value that any instant sales uplift campaign could generate.

The impact of a positive live brand experience can be so great that a participant can move through the advocacy stages very quickly, but to make a long-lasting impact across a whole target audience, those reached by the word-of-mouth and amplification channels of the experiential marketing campaign should be factored in to the equation. For long-term return on investment (LROI), a long-term experiential marketing strategy is required. The interactive, two-way communication (the live brand experience) should be at the core of the overall marketing strategy, thus allowing all the marketing communications channels to work in alliance with each other and amplify the live brand experience. This amplification approach can be applied in many ways. Whether the amplification is in the form of branded content on TV, through an interactive call to action on a billboard, or through a radio broadcast of a live brand experience, the unified channels work together to create the complete experiential marketing campaign that builds long-lasting relationships with the members of the brand's Target audience whom it reached. The aim is that those Target audience members then become brand advocates and evangelists who proceed to take the positive brand Message and Key communication to the masses, increasing awareness and sales in the process.

Calculating LROI for live brand experiences

The sales generated from a live brand experience should be seen to be symptomatic of the word-of-mouth reach generated from that positive, two-way, brand-relevant interaction. By creating a link between the number of interactions of the live brand experience and the long-term word-of-mouth reach, while taking into account, that word-of-mouth generates sales; we get closer to correlating the number of interactions generated from the live brand experience with the number of sales generated. The ultimate aim is to estimate the long-term return on investment (LROI) of live brand experiences.

It is proven that the long-term effect that word-of-mouth has on sales is greater than with any other approach. This is why, by using a model that calculates LROI, which factors in the word-of-mouth reach of a live brand experience, we can quantify the impact that the live brand experience has on sales (which should be at the core of the integrated

experiential campaign and combined with the ROI results of the amplification channels).

The steps involved in calculating the LROI for live brand experiences formula are:

Step 1. Each person who interacts in a live brand experience is likely to tell 17 others. Therefore, the word-of-mouth Reach can be calculated as the number of interactions multiplied by 17, plus the number of interactions¹.

Step 2. The Number of Sales (estimate) can be calculated as 2.6 per cent of the word-of-mouth Reach of the live brand experience (this percentage is based on the average number of sales from direct mail campaigns², even though it is proven that word-of-mouth is more likely to generate purchase consideration than any other marketing)^{3, 4, 5, 6}.

Step 3. The profit generated from the live brand experience can be calculated by multiplying the profit per sale by the number of sales (estimate). Then subtracting the cost of the live brand experience.

Step 4. In order to calculate the LROI you divide the profit generated, by the cost of the live brand experience and multiply by 100.

Therefore, the formula is:

$$\text{LROI} = (X \div C) \times 100$$

(This is the profit divided by the cost, multiplied by 100)

S = number of sales based on 2.6 per cent of W (word-of-mouth reach)

P = profit per sale

X = the profit generated from the live brand experience, based on S (number of sales) x P (profit per sale)

C = cost of the live brand experience

N = the number of consumer interactions with the live brand experience

W = the word-of-mouth reach, based on $17N + N$.

A small-scale example

Hamed is the marketing manager for a website selling customized greeting cards that can be ordered online. His cards sell at £4 and his profit per greeting cards is £1.50. He approached an experiential agency to create an integrated experiential campaign, featuring an interactive greeting card road-show and amplification of the activity using PR and digital advertising. The live brand experience channel's total cost was £50,000 and generated 115,000 interactions. He wanted to measure the LROI and used this model to estimate what his long-term return on investment would be.

Step 1. He multiplies the number of interactions in the live brand experience (115,000) by 17 (the number of people that each participant will tell about the experience on average) and then adds the original number of interactions to get the word-of-mouth reach (2.07 million).

Step 2. To get the estimated number of sales resulting from the word-of-mouth reach, he calculates 2.6 per cent of 2.07 million (the word-of-mouth reach). This produces 53,820 sales.

Step 3. To get the profit generated from the live brand experience, he multiplies the profit per greeting card, which is £1.50, by the number of sales (53,820) to get £80,730. Then he subtracts the cost of the campaign, (£50,000) to get the profit generated of £30,730.

Step 4. He calculates the LROI of 161 per cent by dividing the profit generated from the live brand experience by the cost of the live brand experience, and multiplies the result by 100.

The formula is:

$LROI = 161 \%, \text{ based on } (X \div C) \times 100$

$S = 53,820 \text{ number of sales (estimate) based on 2.6 per cent of } W \text{ (word-of-mouth reach)}$

$P = £1.50 \text{ (profit per sale)}$

$X = £80,730 \text{ the profit generated, based on } S \text{ (number of sales)} \times P \text{ (profit per sale)}$

$C = £50,000 \text{ (cost of the live brand experience)}$

$N = 115,000 \text{ (the number of consumer interactions with the live brand experience)}$

$W = 2.07m \text{ (} 17N + N, \text{ the word-of-mouth reach)}$

In this case, Hamed can predict that 161 per cent will be the LROI from the live brand experience activity, because he used the formula that factors in the long-term effect of the campaign, taking into consideration the estimated word-of-mouth reach.

Actually, this is a very conservative estimate because the 2.6 per cent return is based on an average return from a direct mail campaign, while **word-of-mouth has been proven to be around ten times more effective**, and also has been voted above traditional media as **most likely to drive purchase consideration**.

To calculate the return on investment of the integrated experiential marketing campaign in full, it is important to include measurement of the amplification channels.

The other marketing communication channels that Hamed used to amplify the live brand experience for his online greeting cards were interactive online ads and PR. The interactive online ads featured slideshows showing some of the cards made by consumers who had participated, and an invitation to submit a card design to be shown on future ads. The amount of people who clicked on an online advert and

then purchased a card measured the success of the online channel. The PR channel was based on a photocall of all the Brand ambassadors and consumers engaging in the live brand experience, which went on to feature in a number of national and local newspapers and magazines. The PR channel was measured by column inches (how much the space would have cost if it were paid advertising space). The online and PR metric he used are commonly-used measures, though obviously approaches vary. Hamed combined the LROI generated from the live brand experience with the generic measures that he placed on the PR and online advertising channels, allowing him to evaluate the success of the integrated experiential marketing campaign as a whole.

Another example (larger scale)

Jane is a senior planner at an experiential marketing agency. Her client is a high-end white goods manufacturer. When the client approached Jane with the task of launching a new brand of luxury energy-saving washer-dryers, Jane designed an strategy that featured a six-month live brand experience tour. The tour involved an energy home, which toured around the United States. Consumers were then invited to walk around the energy home, and learn how to save energy in their own homes, while creating their own energy-saving binder and having their 'aura photo' taken. The aura photo, which mapped out the energy around their head and shoulders, was slotted into the front cover of their energy-saving binder as a souvenir. The live experiential marketing strategy was a major hit amongst the target audience of affluent housewives.

Jane's client was over the moon, but wanted Jane to provide a method of showing her bosses that the constant rise in sales since the start of the experiential marketing campaign was directly linked to the activity. Jane proposed looking at the LROI of the live brand experience, and calculated it using the same formula.

The formula is:

$LROI = 1800 \%$, based on $(X \div C) \times 100$

(This is the profit generated from the live brand experience divided by the cost of the live brand experience, multiplied by 100)

S = 140,000 estimated number of sales based on 2.6 per cent of W (word-of-mouth reach)

P = £450 (profit per sale)

X = 63m is the profit generated based on S (number of sales) x P (profit per sale)

C = £2m (cost of the live brand experience)

N = 300,000 (number of consumer interactions with live brand experience)

W = 5.4m (17N +N, the word-of-mouth reach)

As you can see, whether the investment is small or large and whether the product is a high involvement purchase like an energy-saving washer-dryer or a low involvement purchase like a personalized greeting card, live brand experiences can generate a high long-term return on investment. By aiming to also combine the ROI of each amplification channel, you can endeavour to evaluate the complete integrated experiential marketing campaign.

The LROI gives you the figure for the longer-term financial return you can expect to gain from the live brand experience. Depending on whether it is a high involvement purchase (like a car) or a low involvement purchase (like a candy bar), the timeframe can vary from 1 day, to 1 week, to 5 years. By using the LROI formula, it is easy to evaluate and estimate the long-term effect that the live brand experience part of the experiential marketing campaign will have.

By combining the LROI of the live brand experience (using the formula) and the ROI of the amplification channels (using standard metrics) for the evaluation, we can begin to predict the combined effects of the complete campaign. It is important to also factor in the CLV (the lifetime value of the customer), especially in specific industries where the long-term profit to be gained from each customer is greater down the line. One example is the gaming industry, where the profit margin on a console is far lower than the profit margin on the consumer buying video games on an ongoing basis.

If you would like to generate long-term return on investment from experiential marketing, you must invest in a long-term experiential marketing strategy. By placing live brand experiences and the experiential philosophy at the core of your long-term marketing strategy, the long-term return on investment will be far greater than if you approach it as a tactic for a quick sales uplift.

The change analysis

The next part of the Evaluation stage is the change analysis. This is a careful examination of what differed between the original plan and the delivered plan. This should encompass changes in timing, cost and outputs. The data that should form the basis of this will have already been collected during the Gauging effectiveness stage using the change control log. The purpose of the change analysis (see Table 14.3) at this stage is to determine the reasons behind any changes and to gather any insights, useful in future planning.

Note: The change number should correlate with the change number on the change control log that was used during the Gauging effectiveness stage.

Table 14.3 Change analysis

Live brand experience:			Date (from/to):	
Project manager:			Client:	
Change number	Description of change	Reason	Impact	Comments

Visual evidence review

Visual evidence is a crucial part of ensuring stakeholders internalize the positive results of an experiential campaign. The live brand experience should be captured in both moving and still pictures, which should be edited and presented in a concise, attractive format for all to see exactly how it worked and, most important, how consumers reacted and participated in the brand-relevant interaction. From a marketing perspective, there is nothing more fulfilling than to see the Target audiences' faces lighting up with happiness and appreciation for your brand. One minute of edited video footage and a slide show of photos taken from a live brand experience can say more than a thousand words' worth of data and analysis. The visual evidence from the live brand experience (assuming that it was executed face to face) can also be used to amplify the campaign – forming content for TV adverts, digital messages and a platform for future relationship-building. The participants themselves usually love to receive a letter or e-mail showing them clips of the experience that they so much enjoyed. This is even more effective when the process is handled with enough sophistication to enable the matching up of sections of the visual evidence with the details of the consumers who are featured in it.

Along with the edited live brand experience footage and images, there should be visual evidence of the amplification channels as well. For example, if part of the experiential marketing campaign featured a TV show that was branded and based on interactive audience participation and audience-generated content, then an edited 'best bits' from the

show would be great to use in the Evaluation report. In another example, the PR amplification channel invited consumers to attempt to break a world record. A compilation of the consumers' competition entries and the news coverage was included in the visual evidence part of the Evaluation packet. No matter which amplification channels you used, or whether the live brand experience was online, in person or through some other method of remote communication technology, the visual images and footage that capture it present a much more vivid picture and understanding of what happened than any black and white data can. The visual evidence of the experiential marketing campaign provides a souvenir that reminds the participants and/or stakeholders of the experience, thus keeping the vivid memories of the campaign alive for far longer than in the mind alone.

Strengths, weaknesses and insights

The strengths, weakness and insights report is the final part of the post-campaign Evaluation. The body of this report should be formatted as a table, with two columns, one for strengths and one for weaknesses. It should be split into three sections: planning, implementation and results. Following the table, there should be a summary of insight for the future.

The purpose of the report is to summarize everything that was good, bad, adequate and outstanding about each of the three stages, as well as how these stages could be improved. This will facilitate better performance when conducting the next stage of the experiential marketing programme. It should take into consideration all data gathered during Gauging effectiveness including a careful analysis of if and why the targets affiliated with the Systems and mechanisms for measurement were met or exceeded.

Summary

In summary, it is important to outline exactly how the experiential marketing campaign is going to be evaluated during the planning stages. Then during the Evaluation stage, post-campaign, a detailed Evaluation packet should be prepared. It is obvious that every client and brand is different and obviously different people and budgets demand different levels of Evaluation. A fully comprehensive Evaluation packet should contain:

- The completed experiential scorecard.
- An LROI and/or ROI analysis that takes into account both the live brand experience and any other amplification channels that comprised the experiential marketing campaign, taking into consideration the CLV (customer lifetime value).
- A change analysis.
- Visual evidence (combining edited video footage and photos).
- A strengths, weaknesses and insights report that elaborates on the positives and negatives from both the client and agency perspectives during the planning, implementation and results, and looking at what can be learnt from them.

Notes

1. Jack Morton studies show that each person who interacts in an experiential campaign tells an average of 17 people (source: Kevin Jackson, at Jack Morton). Jack Morton Worldwide. An executive summary of this survey is available online at www.JackMorton.com
2. The DMA analysed 1,122 industry-specific campaigns and determined that the average response rate for direct mail was 2.61 per cent (source: *The DMA 2003 Response Rate Study*)
3. A 2004 UK survey by CIA:MediaEdge of 10,000 consumers found that 76 per cent cite word-of-mouth as the main influence on purchasing decisions, compared to traditional advertising which comes in at 15 per cent (source: cited in *Connected Marketing* by Justin Kirby and Paul Marsden published by Butterworth Heinemann)
4. Euro RSCG has found that when it comes to generating excitement about products, word-of-mouth is 10 times more effective than TV or print advertising (source: Euro RSCG survey 'Wired and Wireless: High-tech capitals now and next' archived at http://www.eurorscg.com/starview/doc/ww_summary.pdf)
5. 'The one thing known to drive business growth; word-of-mouth advocacy' (source: Reicheld, F (2003) 'The one number you need to grow, *Harvard Business Review*, 81, Nov/Dec, pp 1–11)
6. Ninety-one per cent of people would be likely to use a brand recommended by someone who has used it themselves (source: Keller, E (2005) The state of word-of-mouth, 2005: the consumer perspective, conference paper presented at the Word-of-mouth Marketing Association Summit, Chicago, 29–30 March)