Measuring Results

A Framework for Identifying and Applying the Key Performance Metrics for Campaign and Long-term Results

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Measuring Results

What are you looking at?

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Reimagine
Realizing
Reaching
Richer
Rewarding
Romance
Responsible
Rock 'n' Roll
Relaxing
Reforming
Richer
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Agenda
1. Why measure?
2. What to measure?
3. Who to measure?
4. Where to measure?
5. When to measure?
~~6. How?~~
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Why Measure?

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Why measure results?

"If you don't measure it, you can't improve it."

Joe's corollary:

If you don't use the right measure, you won't make the right improvements.

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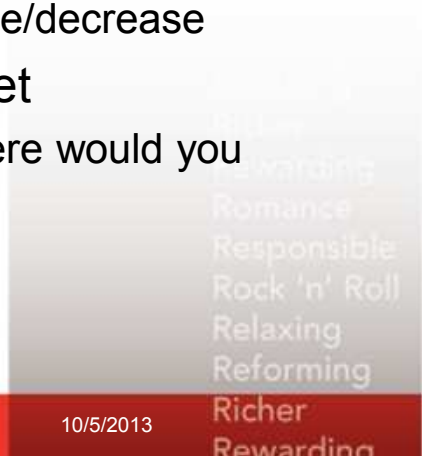
Why measure results?

- Improve marketing efforts
- Create respect and accountability
  - Demonstrate that marketing drives revenue and profits
  - Show the value of a budget increase/decrease
- Know where to best spend budget
  - If your budget increases by $1, where would you spend that additional dollar?



What to Measure?

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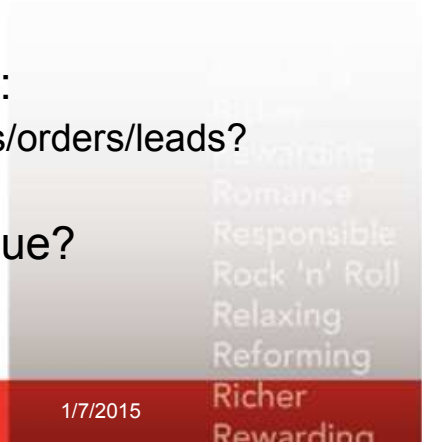
What to measure?

- What is the goal of the campaign?
- What do we want to improve?
- What do your CEO and CFO want to know?
- Does the measure establish the value of the activity?
- Can you act on it?

What to measure: Example 1

Acquisition/Lead Generation

- Goal:
  - Acquire donors/orders/leads at the best cost possible
- What do we want to improve:
  - Cost per donor/order/lead
  - Response rate
- What do CEO & CFO want to know:
  - Are we generating enough new donors/orders/leads?
  - Are we staying within budget?
- Does the measure establish the value?
- Can we act on it?



What to measure: Example 2

Renewal/Remarketing/Resolicitation

- Goal:
  - Generate net income
- What do we want to improve:
  - Net income per thousand
- What do CEO & CFO want to know:
  - How much net income are we generating?
- Does the measure establish the value?
- Can we act on it?

What not to measure

- Vanity measures
  - e-mail open rates, click rates
  - likes, retweets, pins, followers
- Activity instead of results
  - number blog posts, Tweets, followers
  - attendance at an event; “leads” gathered from a trade show; e-mail addresses gathered
  - e-mails sent; page views

What not to measure (con't)

- Quantity without quality
  - Are leads qualified
  - Are new acquisitions likely to give/renew/buy again?
- What is easy to measure
  - Sometimes getting at revenue and profit measures isn't easy or even possible
    - Investment products
    - Pharmaceuticals
    - Travel

Who to Measure?

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Who to measure?

- Campaign: based on contacts
  - Is the campaign meeting goals?
    - Acquisition: cost per donor/lead/order
    - Remarketing: net income (per thousand)
    - Conversion/Upgrade: cost per conversion and payback
  - Results by segment
  - Long-term measures for premium and discount offers
  - Generally not ROI
    - The cost of a campaign is an operating expense, not an investment
    - Acquisition/lead generation is the investment

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Who to measure?

- Long-term: based on customers (or leads)

  (all customers, not just those who buy/give/renew again)

  – Lifetime value
  – Retention
  – Renewal Rate (sometimes the same as retention)
    - First time
    - Repeat
  – ROI
  – Lifecycle analysis

Where to Measure?

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Where to measure?

- In every campaign
  - To evaluate LOT
- Mid-campaign, for digital campaigns
- In every test
  - test of means
  - testing statistics
- In annual summaries
  - long-term measures

When to Measure?

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When to use which measure?

Key performance measures (KPMs) will change depending on where the organization is and the current organization goals:

- Startup: acquire customers
- Growth:
  1. acquire customers at the right cost
  2. maximize net from established customers
- Maturity (cash cow):
  1. maximize net
  2. acquire enough customers to offset attrition

A Closing Thought

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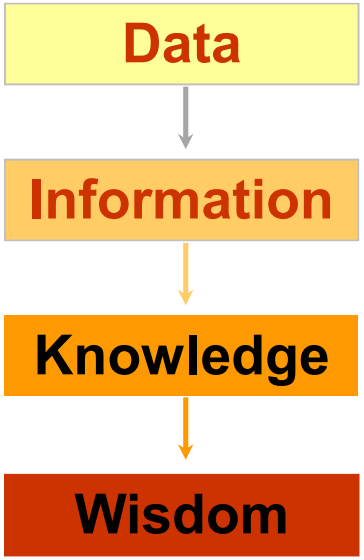
The Data Model



The goal in measuring results is to create wisdom by converting data into information, information into knowledge, and knowledge into wisdom.

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