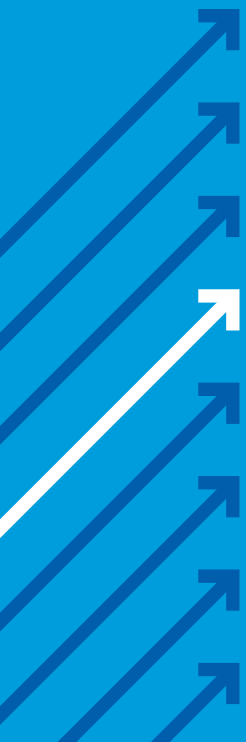


Setting KPIs: A Practical Guide to Measuring your Campaign

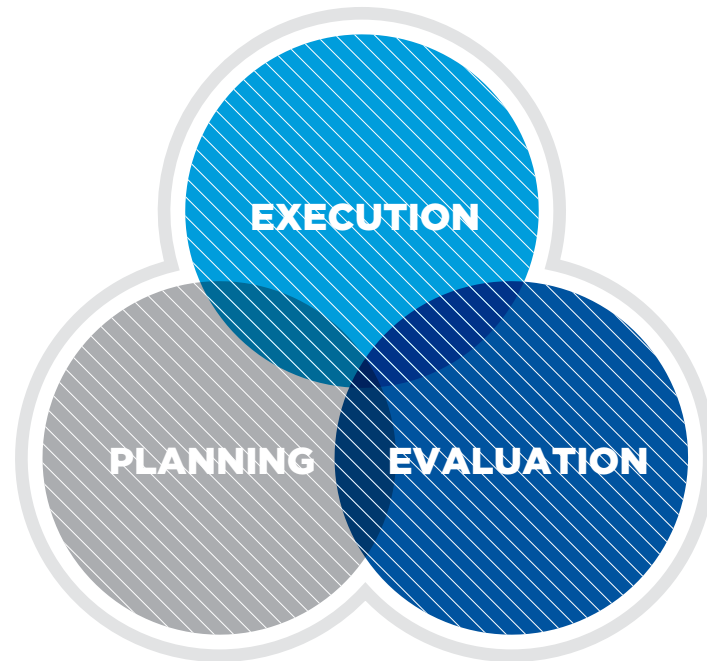


logical steps
to grow
your brand



Why evaluation is important

Evaluating your marketing efforts is the completion of the marketing 'loop' and will influence what you do in the future.



It should be a major consideration in your planning stages, rather than an afterthought because the information gathered can be critical for gaining better insight into what worked and why.

Often, companies and marketing agencies will be hesitant to develop specific goals, mainly because it can be hard to quantify an actual return on investment. However, there must be some benchmark that will at least help ascertain whether what you have done was worthwhile from a marketing standpoint. While some of your marketing will have softer goals (such as raising awareness of the brand, or increased positive perception for the brand), there are still ways to track these, and we will go through steps to ensure you have the detail you need when pulling together a summary report at the end of your campaign.

This guide will focus more on the evaluation of your marketing efforts offline. A separate guide has been developed for online marketing and measurement. You can [view it here](#).

The importance of setting business objectives

Before looking at any campaign goals, you must ensure that any marketing communications you use to promote your brand tie back to your overall business objectives. For example, if your objective is to sell more t-shirts online, you need to be thinking about how any particular marketing activity will help to achieve this goal. Without this link, efforts are likely to be wasted, and you won't be able to find the true return on investment for your marketing communications.

As the starting point for all evaluation, below is a space for you to write your business objective:

1. Objective 1:
2. Objective 2:

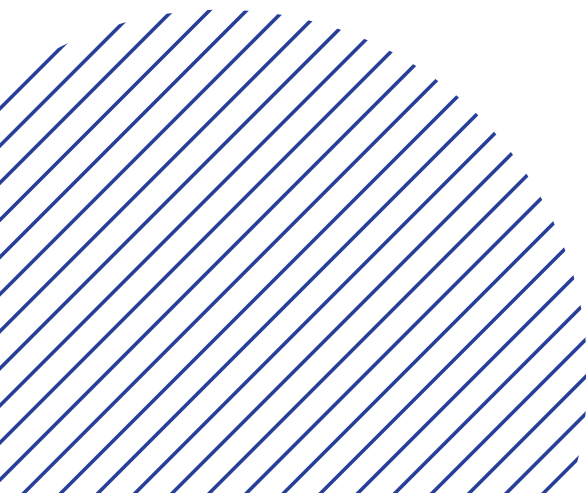
Example: Increase total sales by 5% each year over a three-year period.

How to link company objectives with campaign goals

Now that you have defined your overall company objectives, and are ready to start your marketing and campaign promotions, we need to consider attributing goals to your activity. So if you are a B2B company, and your company objective is to be the market leader in your sector, you may have then identified a need to market your brand and/or product to help achieve this objective.

However, the success of your marketing communications can only help certain aspects of this overall goal, and therefore must be measured differently. To continue with the B2B example, you might have the highest awareness rate of any company in your sector, but if you had no website or phone number, it would be difficult for people to get in touch with you. Marketing must be realised as one integral part of the overall plan, and must be measured specifically.

Therefore, think about what you want to achieve with your marketing communications. If you are a newer company, it may be to raise awareness, or perhaps to create a perception (such as that you are a luxury brand).



Example goals

- Raise overall awareness among target audiences by 5%
- Increase perceived value of product among key audiences

These goals set forth for the campaign should link to helping achieve your overall business objectives, but must be written in a way that recognises the role of how marketing can help, and focus on doing that particular activity well.

You have your business objectives. Now try to write your marketing communication goals:

- Goal 1:
- Goal 2:
- Goal 3:

Now you have started to create a foundation for how you can objectively measure the success or failure of your marketing communications based on the goals and objectives set out above.

How to Measure Success

What to do before your campaign

A common question from business owners is: how do I set measurements in place to know if I have achieved my campaign goals (i.e. to increase awareness by 5%)?

To start, it is critical to understand where your starting point is. Unless you are a start-up and have 0% awareness and 0% market share, it will be important to conduct pre-testing to ensure you have a point at which to begin.



Let's go back to your business objectives. Your objective may be to increase sales by 5% year-on-year over the next three years. However, through initial market research, you have found that your product or service has a low perception of quality in the market, but you may not know exactly what percentage of people share this mentality. Therefore, a quick omnibus survey may tell you that 30% of your target audience feel that your product/service is low quality.

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Because we now have a starting point, we can map out ways to help you achieve an increase in favourable perceptions for your product/service, and start setting smaller Key Performance Indexes against this campaign objective. Further, having a point of reference will allow you to run a similar survey post-communications to see if your activity was successful.

There are many ways that you can carry out pre-testing, which can include:

- Online survey
- Street survey
- Focus groups
- 1-on-1 interviews

What is a KPI and how to set your KPIs

Once you know your campaign goals, and have defined what success looks like, it is important to set smaller benchmarks that will help reach your main campaign goals. These are often referred to as Key Performance Indexes or KPIs. The role of the KPI is to measure the 'how'.

So, if your main objective is to increase total t-shirt sales, you need to understand what will help you achieve this goal (the how). This could be increased footfall into the store, increased positive sentiment for your brand, or increased frequency of consumption of your product or service. KPIs are then measures put in place to ensure that these smaller goals are met, and ultimately lead to you reaching your business objective.

To be clear, a KPI is not an objective in itself, but rather a way to ensure your marketing efforts are contributing in a meaningful way to your business objectives. Here are a few examples of KPIs:

- Number of impressions of your ad
- Number of those who took your flyer
- Percentage of customers who redeemed a coupon



Example

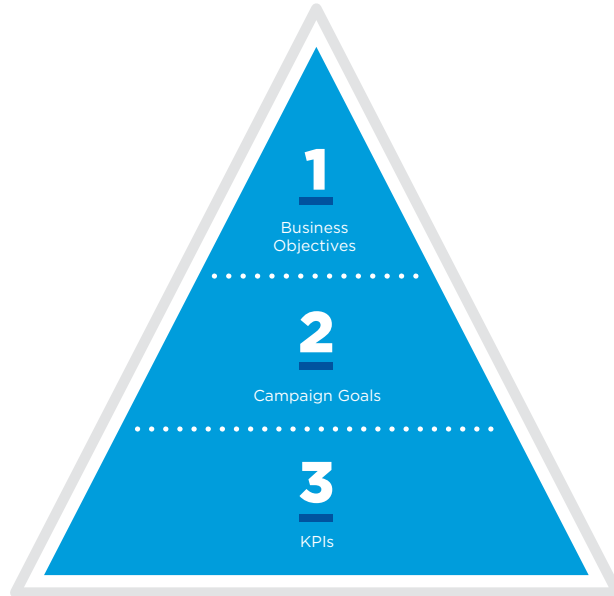
Let's say you own a coffee shop, and your overall business objective is to increase total sales of your coffee. Through customer research conducted at your brand development stage, you know that customers only come to your shop once per week on average, but regard the product as high quality. So, you decide that increasing frequency of purchase among your target audiences is more important to focus on than attracting new customers (although this is always important). To increase frequency, you have created a loyalty programme that means customers get a free coffee once every 10 purchases, and other rewards.

You believe that if you increase frequency of purchase from once a week to 1.5 times per week (or an additional 2 purchases per month) for 20% of your customer base, you will achieve your overall objective of increased coffee sales.

Therefore, your KPI in this example might be the uptake rate of your newly established loyalty card (and possibly another for usage of said loyalty card). Your KPI could then be 'I want 10 customers per day to sign up for my loyalty rewards programme.' By doing this you believe you will increase frequency of purchase, and thus increase sales.

KPIs give you small targets or benchmarks to measure daily against your overall business goals.

As you can see, we have started to build a pyramid as follows:



You can now fill in the blanks, and this should help create a way for you to track how your marketing communications and campaign are helping to achieve your business objectives. Remember, the quality of your measurements is more important than the quantity.

KPI	
Business Objective 1 Business Objective 2	
Campaign Goal 1: Campaign Goal 2: Campaign Goal 3:	
KPI 1: KPI 2: KPI 3:	

What happens after your campaign ends?

You may now be nearing the end of your campaign, and looking for ways to measure the overall effectiveness against your business objectives and campaign goals. Analysis of each bit of marketing communications can be instrumental in understanding what to do for next time, and may even give insights into your target audiences' behaviours.

Reviewing Results

Throughout your campaign, you will have been keeping an eye on the KPIs you developed and adjusting them as needed to ensure you meet your activity goals and objectives. Overall, were your KPIs met? If so, why? And if not, why not? Were they too unrealistic, or was there a fundamental reason why they were not achieved?

As a start, mark down the KPIs you set out and work out if you successfully achieved these smaller benchmarks.

Example 2

If we go back to our coffee shop example, the KPI set out was to have 10 customers sign up for the loyalty programme each day. You can then track to see how many customers signed up for this programme over the campaign period (3,405) and divide by the number of days within the campaign period (300). Quick maths you will show that, on average, you were signing up 10.4 customers to your loyalty programme each day, which is above the KPI set out.

With this in mind, you can look at how often these customers purchased a coffee, and ascertain whether this had any significant increase in sales. You may see that the loyalty card did indeed contribute to a smaller sales increase year-on-year, and that, on average, those with a loyalty card are coming into the store 1.5 times per week.

Now you give it a turn. Complete the table below, and start to see what worked well/what could be improved upon for next time:

KPI	Week 1	Week 2	Week 3	Week 4
KPI 1: (Example) Flyers handed out: 50 per week	90% of KPI completed	% of KPI completed	% of KPI completed	% of KPI completed
KPI 2:	% of KPI completed	% of KPI completed	% of KPI completed	% of KPI completed
KPI 3:	% of KPI completed	% of KPI completed	% of KPI completed	% of KPI completed

Looping the circle

Like your pre-testing, after your campaign is complete, you will want to fulfil post-testing to understand how effective your activity was. You may have KPIs that were there to help benchmark along the way, but you will then need to see if those KPIs did in fact present a good indication for what you were ultimately trying to achieve.

Example 3

To give another example, you may have run a television ad in Scotland to increase awareness about your brand. Through pre-testing, you have figured out that only 5% of your target audience is aware of your brand. Therefore, for three months, you ran 15-second ads on a number of channels that capture your audience.

While your KPI may have been to reach a certain amount of impressions each week, ultimately, after the campaign is done, you will need to survey your audience to see if these ads actually did increase awareness. What you may find is that, although your impression figures were strong, recall and awareness are in reality still low. This may then have been down to the creative execution of your ad rather than its placement.

When pre- and post-testing your campaign results, it is wise to use the same format for testing to ensure consistency.

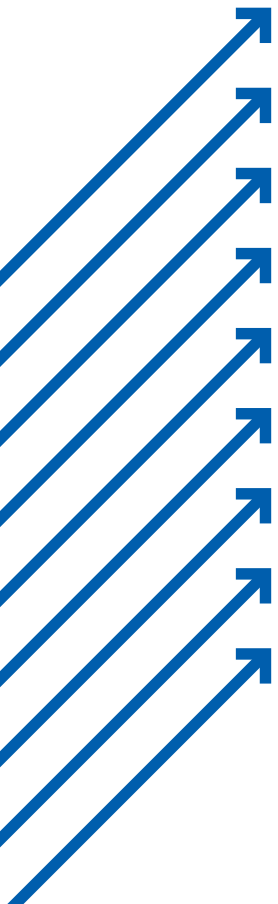
Your next campaign

A lot of companies (even large ones) find that they don't actually know how a campaign worked, and most of that comes down to inefficiency in measurement and ineffectiveness in setting clear goals and objectives at the start.

Remember

It is better to fall slightly short of your goals and objectives than to not know how your communications performed. At least if you know you didn't reach your targets, you can look at your smaller benchmarks (KPIs) and try to assess what broke down. This will then help to plan for a more effective campaign the next time around.

Insight like this can be invaluable for moving forward, and can help refine communications for the next campaign. Too often, however, companies go from the unknown of one campaign to the next, because there is an inherent fear of failure. This, instead, can be catastrophic and more detrimental to your business than having a failed campaign and understanding what went wrong.



Suggested Reading

Check out all our brand guides at
bgateway.com/branding-guides or
contact your local Business Gateway office.
Find it at bgateway.com/local-offices

