Did it work?

Simple questions don't always have straightforward answers, says *Heather Maitland*

Illustration by Sugarfree

Did it work? Is it worth doing again? If we don't constantly ask these questions, our jobs will consist of the same to-do list, endlessly recycled, regardless of what we are marketing or to whom. But getting answers isn't easy. Researchers agree that return on investment (ROI) has proved hard to pin down[1] and so it is rarely linked with marketing.[2] The standard marketing textbook mentions it once and that is in the context of setting prices.[3] I work with Theatre Forum, the Irish industry body for the performing arts, on a benchmarking project. It is now in its sixth year but we have only just tackled ROI for the first time.

Why bother, if it is so hard? *Arts and Business* argue that we need to measure ROI 'now more than ever'. The economic squeeze has led to a rash of academic studies into the ROI of entire industry sectors such as libraries[4] and of organisational functions like marketing.[5] If something doesn't provide a return on expenditure, it is a cost and can be cut. We need to find answers – and fast.

So, what is the problem with ROI?

To prove that something has worked, you need to know what 'worked' means. One measure we used in the Theatre Forum benchmarking project is the ratio of marketing spend to box office income. Among arts festivals, this ranges between €1 : €0.35 and €1 : €3.36. It is pretty obvious that one of these festivals has effective marketing and one does not. Except that the festival with the lowest ROI focuses on artform development, supporting emerging artists year round. For them, 'worked' is not just about success in selling tickets for events during the 16-day festival. For cultural organisations, particularly museums and galleries, 'return' in ROI does not just mean money.

Neither is the 'investment' bit merely financial. What about all the time we put in? The Theatre Forum benchmarking project compares the marketing minutes per ticket issued.

But beyond this, returns are hard to measure because, as Rob Paton argues, we have such multi-faceted goals, we try to achieve the same outcomes in such different ways and we are working in such diverse contexts. How, for example, should we measure cultural and social returns? Should we look at them by project, by neighbourhood, by target market or across all our organisations' activities? And we have multiple stakeholders who define success in different ways, often moving the goal posts in response to changes in their own policies and in government agendas.[6]

'Is it worth doing again?' is equally problematic. We are really asking, 'Is there something more productive I could do with my time and money?' We can only find answers by making comparisons: internally between activities, over time (trends) or against targets, and externally with similar organisations (benchmarks).

It is tempting to measure what can be most easily measured. Outputs are straightforward: the number of people involved in a project or the increase in the number of monthly visitors resulting from a website redesign, for example. But Ron Shevlin insists that we should not be measuring outputs: 'ROI doesn't come from having a

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Facebook page that's liked by a million people. ROI comes from the sales and behavioural changes that are influenced by a Facebook page that's liked by a million people.'[7]

He's right but only up to a point. The participants in the Theatre Forum benchmarking project find some output measures useful. When you have 10,000 website visits a year and your peer group have on average 85,000, you know there is room for improvement.

Our problem is proving cause and effect by linking the marketing we actually do with outcomes. To use Shevlin's example, the way many of our online sales facilities are hosted means it is difficult to link website visits originating from our Facebook pages with ticket sales. And if we don't sell tickets, beyond asking people how they heard about our event, it is impossible to relate visits or participation with any social media activity.

A more illuminating return on social investment figure seems impossible. Some organisations have had a stab. The New Economics Foundation and Groundwork developed a powerful process called Prove It! which engages the communities involved in projects in deciding the most appropriate ways to measure outcomes. However, it works best on small, clearly delimited projects with community involvement and in itself needs lots of time and money to implement properly.[8]

So what, realistically, can you do in your organisation?

What you measure will depend on what your organisation is trying to achieve. You need to choose a handful of indicators that are:

- broad brush (the point is not to perfect the indicator but to spot where you can improve)
- easily calculated (because you need to repeat them regularly and consistently)
- comparable (otherwise they won't tell you anything)
- measuring something people are concerned about (especially your managers and stakeholders).[9]

ROI is challenging but it is worth it. It will build confidence in what marketing can do, enhance your team's reputation and help make the argument for resourcing marketing properly.

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