

New Millennium Marketing: determining ROI on event marketing

By Steve Lundin

Events are everywhere: industry specific networking opportunities, speakers, forums, workshops, golf outings, sponsored sporting events. Some are free, some charge at the door, some are for members and some are exclusive with an entry fee that precludes all but the very well heeled. All events have one thing in common: they require a lot of work and dollars. Some company typically pays the bill to sponsor an event; what's the return on their investment?

It all starts with planning and expectations. What is the goal of an event? Is it to draw in potential customers, build your company's name, create buzz about a new product, bring together a select audience to hear your pitch or just present useful information to a specific public? Your goal determines the target audience you're looking to transmit your message to. The scope of your approach depends on your resources, budget, lead-time and creativity.

At the recent 2002 Business Marketing Association national convention, several industry leaders cited event sponsorships as one of the most valuable, targeted and cost efficient methods to get a message across. Selection of the right sponsorship opportunity is critical: the event's audience must be in alignment with your goals. Research potential events in advance. If you're looking at local and regional events that occur on a regular basis, make sure to attend the event. Talk to the attendees. Are they excited about the event? Does the event continue to attract new faces from the audience that you're looking for? Does the event seem well run? Has the press looked favorably on the event? Does the event seem to be priced right? Does the event offer any residual benefits such as a newsletter, advertising, website and ancillary opportunities to promote your company if you decide to become a sponsor?

Derek Jermstedt is the director of the United States Army account for Chicago-based Relay Sports and Event Marketing, an affiliate of SMG. Relay manages all the Army's sports event marketing programs. One stand out example of an event that delivers a targeted demographic is the Army's sponsorship of the National Hot Rod Association (NHRA) drag racing events.

"The audience is ideal for the age group that the Army is looking for: 16-24 year olds. The primary factor for the Army is how many leads they generate per event. Attendees are attracted to the Army booth because of some kind of fun activity: a simulator or a rock wall. Attendees fill out a lead form and we collect their information on the spot," said Jermstedt.

But how does the Army calculate the value of this sponsorship? "The primary factor is how many leads are generated per event. We also track awareness through Joyce Julies reports [an independent sponsorship evaluation program] that report on media impressions created through advertising associated with the event. Sponsorships can work for any type of account, from consumer to B2B, it's really a matter of finding the right audience," Jermstedt added.

Many companies rely on events to build their brands as well as generate leads. These companies may become involved as sponsors of several events, all targeting a general type of audience. The marketing logic maintains that repeated exposure to an audience will build familiarity and align the company's brand with the message of the events.

One pitfall with this approach is the reliance on the creativity of the event planners and the maintenance of the quality of their audience. For the company with a large marketing budget, cutting off a flat event isn't very significant. But for smaller companies or companies whose event sponsorship budgets have been compromised, backing the wrong horse can mean that next year's budget will be even smaller.

The ROI metrics for sponsoring an event include not only the number of leads generated, but the number of press impressions that the event itself garners and the number of new individuals who have been exposed to your message in your target audience. Face it, if your company has been involved with an event for more than 12 months and that event has failed to capture the attention of the press or attract new blood, it's time to pull out.

One way to make sure that the message your company is transmitting has the best chance of reaching the right audience is to develop your own targeted events. This can

be done by your company's in-house marketing department or can be outsourced to a marketing partner. Developing your own event means that you can invite customers, prospects, influencers and important media to hear your message. These events can take the shape of forums, guest speakers, workshops, roundtables or breakfasts. The same principles apply to your event: the content must be creative and attractive, the event must be well executed, it must create some type of buzz and should result in some metric of success.

Venanzio Ciampa oversees marketing/communications for the Swatch Group, the largest manufacturer of finished watches in the world. Swatch owns such brands as Omega, Tissot, Rado, Hamilton and 16 others. To celebrate the 40th anniversary of the James Bond movie franchise, the Swatch Group is issuing a collection of watches thematically linked to each film. The Swatch Group marketing department spent two months developing a Swatch James Bond Collection road show that will be touring key cities, including Chicago, San Francisco and Los Angeles.

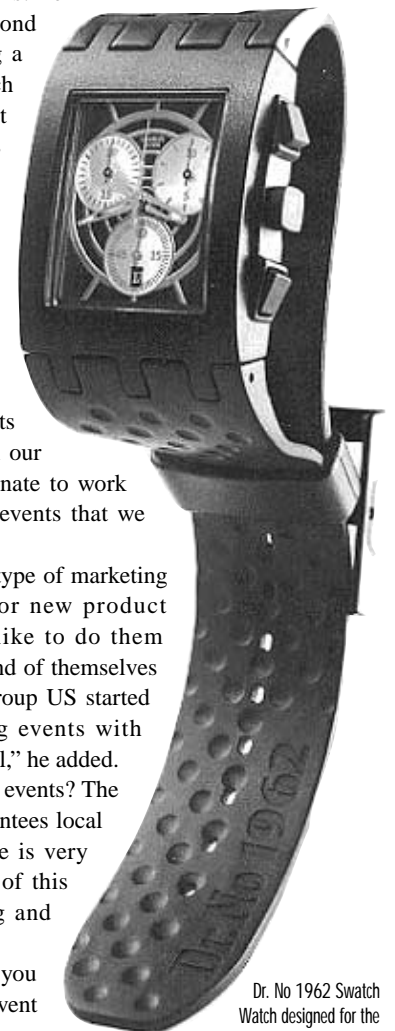
"The Swatch Group, and the Swatch brand in particular, like to do things always with an element of the unexpected, with lots of fun and very imaginative. You'll often hear the words 'positive provocation' and 'joie de vivre' describing the emotional appeal of our products and I think this also translates to the people in our group and our spirit. People have to be passionate to work here and it shows in the quality and level of events that we carry out," said Ciampa.

"Companies such as ours always have some type of marketing event, often they're tied to sponsorships or new product introductions. While we do these too, we like to do them 'differently,' including events that are done in and of themselves to generate awareness. Last year the Swatch Group US started getting very involved in creating marketing events with charitable organizations. It's been very successful," he added.

How does Swatch measure the ROI for these events? The high visibility of both franchises virtually guarantees local and regional press coverage, and this coverage is very important to Swatch. "We gauge the success of this program on brand awareness, brand building and ultimately sales," said Ciampa.

Set your goals and do your research before you invest the time and money into sponsoring an event or developing your own. Your instincts can serve these decisions well. If you see a roomful of bored people at a potential event, turn and walk away. If you want to set your own company's brand front and center, create your own. In the final analysis most people will remember the details of a good event but will only be left with a single impression of a bad one: why did I waste my time on that? **f**

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Dr. No 1962 Swatch Watch designed for the James Bond Collection

