

ROI for non-believers

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“We create emotions and memorable moments” an event manager told me recently, “you can’t measure ROI on emotions”.

I know there are many who simply don’t believe that you can measure the Return on Investment from events, it is simply too difficult, either you believe the event to be effective or you don’t, you have to take it ‘on faith’.

If you are one of these non-believers, thank you for reading this far, maybe you are just an agnostic? It will make me very happy if you keep on reading.

You create emotions, making employees and customers feel appreciated, buying-in to your brand values. They may not even know how it happened, they just like you better, trust you and believe in you, because you have reached them through all their five senses. Excellent, this is the power of live communication.

Do these emotions have a value? Of course, otherwise you would not spend good money to create them. Or do they? On their own, just the emotions? We have to be a little more precise. It is not the emotions themselves, but what your employees or customers do differently when these emotions come into play. Because your employees feel more appreciated, they will work harder, take less sick leave and not quit for another job. Because your customers think of you as a socially responsible industry leader, they buy more of your products.

For any event to create value, the participants have to do something afterwards, something that creates value to the stakeholders. This is the only mechanism known to mankind for creating value from events. You have to make the participants do something they would otherwise not have done.

You don’t turn emotions into money, you turn emotions into actions, which in turn lead to either more sales or lower costs, thus improving your profits and shareholder value.

Then we have the ‘isolation’ issue. If sales go up after the customer event, how do we know it was because of the event and no other influence? There are several different methods for finding out, some are very good, such as doing a control group experiment, other methods are quicker and cheaper, but the results are not as precise. If you really need to know, you can always find out.

One large company in the healthcare industry recently told me about a new company procedure. In the future, no event budget, large or small, would be approved before a document was on the table specifying how the event would influence the bottom line, what participants need to do after the event in order to achieve this value, and how the event is designed to achieve such behavioural change. They had figured out ways of connecting emotions and memorable moments to the bottom line. You can do that too.