



The Effectiveness System

A Swedish industry standard for measuring the effects of marketing communication

Sveriges
Annonserare



Introduction

”What gets measured gets done” is a well-known saying. The need to measure and report the effects of marketing communications keeps growing, both in terms of demonstrating the value created and in terms of creating greater insights about how communication works and impacts customers. At the same time we have an ever-increasingly more complex media world, with constantly expanding technical possibilities and new channels, which impact our abilities to draw relevant conclusions and understand the correlations.

The idea behind ”the Effectiveness System” is to help those who want to understand how well their marketing communications performs by measuring the right things, in the right way. With this kind of reports you create a better opportunity for having productive conversations with both your management team as well as with colleagues in the marketing department who might be specialists in certain aspects of marketing communications. And by marketing communications we mean to support its business by influencing different audiences’

awareness, attitudes and/or behaviour in a desired way. It does not matter if the activity is in bought channels, or in your own or earned, or whether the objective is to strengthen the brand, drive sales or influence opinions, as all these aspects are included in the definition.

The objective of the key performance indicators is to measure the effects of marketing communications. In this lies an important distinction between *effective/effectiveness* and *efficient/efficiency*. Effective is about supporting the business objectives in both the short and the long term by both getting more people to buy from us here and now and at the same time build the brand so that more people will want to buy from us in the future and be prepared to pay a little more when doing so. That is the focus for the metrics in this compilation. Efficient, on the other hand, is about demonstrating how well we have invested our resources and how different media channels and activities contribute towards the effects achieved.

The Effectiveness System is divided into six categories of key performance indicators

Media/investments

(5 effectiveness metrics). Strictly speaking these metrics are not marketing communication KPI:s, but they provide the foundation that defines the possible outcomes that the marketing communication activities are expected to achieve. As the metrics mainly reflect the levels of investment and how widely the activities have been spread, these metrics to a higher degree represent efficiency than the others. This can also be seen as a description of the relationship between the KPI:s in this section and the those in the other sections.

Digital metrics

(8 effectiveness metrics). There are many digital measurements, but most of these represent tactical/operational metrics to measure the efficiency of specific activities or channels. The recommended metrics in this section are more over-arching and focus on the effects created by the brand's digital presence.

Campaign metrics

(5 effectiveness metrics). The five KPI:s in this section are the most important metrics for measuring how well specific activities/campaign work, and how they contribute to developing a brand's success and position in the market.

Brand metrics

(6 effectiveness metrics). A strong brand increases the possibility for profitable revenue growth, and the KPI:s in this section help evaluate the brand's strength and how this changes over time.

Business metrics

(8 effectiveness metrics). The KPI:s here demonstrate the link between marketing communications and the company's business objectives.

Relationship metrics

(4 effectiveness metrics). The relationship between customer and brand is impacted by many more things than just marketing communications, but marketing communications can greatly impact the development of these metrics.



The recommendations are based on international studies of successful marketing communications as well as on a large measure of practical experience in the working group that has handled the topic. The group has included representatives from advertisers as well as experts in market research and analysis.

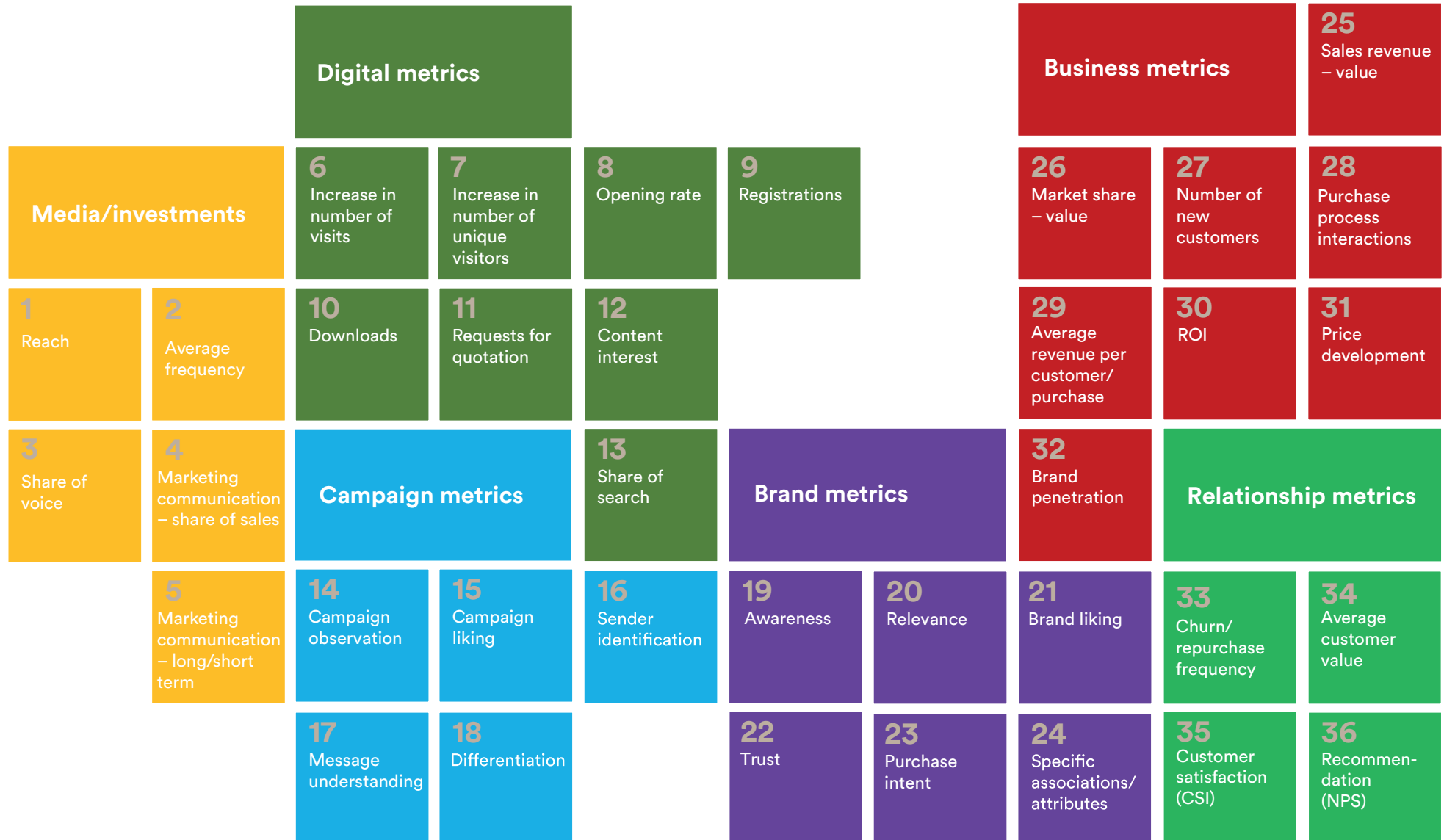
Note that the 36 KPI:s represent prioritized metrics for analysing and evaluating marketing communications on an aggregate level. In addition to the 36 KPI:s there are hundreds of specific metrics for tactical evaluation of specific activities and media channels.

The key difference is that the 36 prioritized KPI:s are metrics that everyone that works with marketing communications needs to be familiar with understand and be able to discuss with their management team and colleagues outside of the marketing department, whereas the more specific metrics for individual media channels and activities by their nature represent more specialized knowledge for the different internal functions.



The Effectiveness System

Collection of metrics



A guide from Sveriges Annonsörer/ the Association of Swedish Advertisers

Questions?

Please contact us:

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