



MEASURING EVENT ROI

By Elling Hamso

Everybody is talking about measuring the return on investment (ROI) in meetings and events, but what is it? Can you really measure the results of a meeting or event in real money values? And even if you can, how is it possible to isolate the results from other influences?

Sales may go up after a product launch, but how do you know it was not due to the new advertising campaign, a general business upturn, the launch of a better product or the competition not doing so well?



The simple answer is yes, you can convert meeting and event results to money values and you can isolate the results from other influences. The not so simple answer is that it depends on how much money and time you have and what degree of accuracy you need for the answer. And ROI measurement is a lot more than just returning a number. Read on and you will understand what I mean.

WHAT IS ROI?

Return on investment is just what it says, the return on the investment. How much did you invest and how much did you make? If you invested €100.000 in a meeting or event and increased profits from sales or reduced costs by €150.000 as a result, you have made €50.000 worth of profit, which is 50% ROI. There is no magic about it, it is just a percentage of the net profit over the investment. If you want the simple formulae, here it is:

$$(\text{meeting results} - \text{meeting costs}) \times 100 = \text{ROI}$$

WHY DO I NEED TO KNOW?

Companies, associations, governments and other organisations spend vast amounts of money on meetings and events. Some are aimed at customers, communicating the marketing message through face-to-face communication instead of advertising, direct mail, the web, or other elements of the marketing mix. Others have an internal audience, like informing and inspiring the sales force or the management team. And much of the time we don't really know if it is worth the money. So when the organisation is not doing so well and money is short, meeting and event budgets get cut. Money saved is money earned. Maybe the opposite is true, when times are bad we should perhaps spend more money on meetings and events to recover