*PortMA Benchmarks Reporting*

# Bourbon & Whiskey Sampling Experiential Marketing Benchmarks (Reach, Impact and ROI)

*First Edition*

*Benchmarking Database v1.0.0*

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Learn more about the Experiential Marketing Benchmarks in this report and PortMA's custom measurement services at www.PortMA.com

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# INTRODUCTION TO THIS REPORT (READ FIRST)

## SOME LEGAL CONTEXT (SEE APPENDIX FOR FULL AGREEMENT)

This is how we make our money, pay our employees, and feed our families. These are our trade secrets. And we're going to tell you all of them. We do this because we believe that for you to get the full value from the benchmarks you need to understand how they come about. You need to have the full context from which they were derived, both theory and practice, so you can use them properly and get all the amazing value they offer.

Taken together, this approach represents our proprietary business practices derived from over 20 years of experience in the business of marketing analytics. We wish to maintain ownership of these proprietary practices.

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## THIS REPORT AND OTHER REPORTS AVAILABLE

This report details benchmarks concerning consumer reach, impact, and return-on-investment for experiential marketing activations completed for brands in the Bourbon & Whiskey Industry. This report draws from 1,559 event activation days and 13,055 consumer interviews.

PortMA currently provides benchmarking reports for the following industries and venue/ activation types:

| **Industry Reports Segments Available** |
|---|
| Bourbon & Whiskey Sampling |
| Liqueur Sampling |
| Rum Sampling |
| Vodka Sampling |
| Wine Sampling |
| Nonalcoholic Beverage |
| CPG Foods |
| Grains, Pasta & Sides |
| Cookies, Snacks & Candies |
| Personal Care Products |
| Pet Food & Treats |

| **Venue Type Reports Available** |
|---|
| Destination Events |
| Intercept Events |
| Fairs and Festivals |
| In-store/ Retail Activations |

The list of titles available is constantly developing, visit www.PortMA.com for the most current list of reports available.

# USING BENCHMARKS TO BUILD BEST-IN-CLASS EXPERIENTIAL MARKETING CAMPAIGNS

There are many business applications for the Return-on-Investment (ROI) modeling provided in this report. We'll cover a few of them here. At its core, ROI is an index score that represents the balance a marketing campaign struck between the number of consumers reached, how those consumers were influenced/ impacted, and how much money was spent to do so.

A positive ROI indicates that more money was gained than was spent (the most basic purpose of any for-profit business). And when the component parts of any ROI are deconstructed, a marketer can identify those decisions that led to success, and those that didn't. This empowers the marketer (or the marketer's stakeholders) to set expectations or define marketing goals that align with those scenarios that have generated a positive ROI in past marketing.

This is the source of a great marketer's power.

## DESIGNING A WINNING MARKETING CAMPAIGN

The best predictor of the future is the past. And when you can plan based on a well-organized set of data that benchmarks this history, you can create a campaign that will get it right more often from the start. You're moving your marketing downriver faster.

A benchmarking database and the reports it can provide are excellent tools to design a campaign that will meet or exceed stakeholder expectations.

### FINDING THE RIGHT CONSUMERS

Marketing is about creating a compelling message and delivering that message to the consumer target most ready to hear it. This is why brands develop consumer profiles; your program will deliver when it reaches the right consumer.

Deploying a "market to message match" strategy starts with identifying the best places to reach the right type of people. When you have access to Experiential Benchmarks, you can evaluate how different venue types trend for demographics and age.

> Hypothetical Example
> If you're developing an adult beverage campaign with messaging designed to appeal to men over the age of 45, should you focus on On-Premise (e.g., bars, clubs, etc.) or Off-Premise activations (e.g., grocery, liquor store, etc.)?
>
> When you consult the benchmarking database and review the Venue Type by Gender and Age, you might see that On-Premise tends to have pretty close to a 50/50 mix between male and female (slightly more male) but does tend to skew a full 7 to 8 years younger when compared to Off-Premise activation venues.
>
> These conclusions would guide you toward an Off-Premise routing schedule as you're more likely to reach your target consumer more often.

The right message to the wrong consumer will rarely deliver a positive ROI.

### EVENT SIZE VS EVENT FREQUENCY

What about the trade-off between event size and number of event days?

Big events are expensive. They often come with hefty venue fees and overpromise high impressions. And they can deliver more intercepts because of the greater foot traffic. On the other hand, street intercepts and retail activations are nimble, much less expensive, and still bring a reliable (albeit lower) level of foot traffic with some consumer targeting capabilities.

Every Experiential Marketer knows the struggle when designing a campaign that balances smaller, street intercept activation days with larger, destination activations like state fairs or sporting events. Should the smart marketer do smaller, less expensive street intercepts or pay those venue fees to attend the state fairs? Or should the smart marketer focus on a middle option and consider the concert venue? A good benchmarking database will answer this question for you.

The answer has to do with efficiency and costs.

> Hypothetical Example
> When you consult your benchmarking database, you might find that the state fair typically results in 880 engagements per day at an average cost of $7,500 per day or $8.52 per engagement. And the retail intercept isn't all that different with 144 average engagements per day at a typical cost of $1,250 per day or $8.68 per engagement. But that middle ground, the concert venue in our hypothetical example here, averages 610 engagements per day at a typical cost of $4,200 per day or $6.88 per engagement.
>
> So long as the venue fits demographically (see above) the concert venue might be your most efficient option. We're not saying you should focus exclusively on concerts but if this was your scenario, you should probably maximize that activation type (as much as they were available to you).

A good benchmarking database will allow you to explore venues and understand the quality and quantity/efficiency of consumer reach they represent. This will enable you to focus your venue research and develop a routing plan based on data-driven evidence. You're using data to make smarter decisions and develop a winning campaign.

## SELLING TO STAKEHOLDERS

We're all always selling. It doesn't matter if you're a Brand Manager talking to your VP or if you're an Agency Director talking to your Brand Client. You need to demonstrate that your reasoning is sound, and your plan is positioned to be a success.

### DIFFERENTIATING YOURSELF FROM COMPETITION

You might be competing internally for resources. Public Relations and Experiential teams fight for limited marketing budgets in all kinds of organizations, from small family-run businesses to Fortune 500 companies. You might be responding to an RFP and you're one of four agencies going for that big project. Either way, you need to differentiate yourself.

A benchmarking database supports this process just like any data resource supports decision-making. Good data – analyzed, interpreted, and presented correctly – as part of any proposal will build confidence and trust among stakeholders. The trust comes from your ability to demonstrate your due diligence. And it comes from your willingness to be accountable.

When you present projected outcomes with your marketing plan, you're communicating to your stakeholders that you're accountable, that you are willing to draw a line in the sand and say, "This is the criteria for success, this is how we'll know if things worked." That can be scary. You'll need to be confident in yourself and your team to live up to the expectations you're setting. This willingness is sadly lacking in most pitches for a variety of reasons, often because the account team lacks confidence in their ability to prove success. But your benchmarking database will allow you to differentiate your Experiential Marketing strategy from the competition. It does so because it not only provides a detailed track-record of why the marketing will work, but it provides a blueprint on how to prove it.

## DEMONSTRATING VALUE BEFORE MONEY IS SPENT

The anxiety among stakeholders that will cause them to say “No” to you and “Yes” to someone else has to do with worry that they are spending money on the wrong decision. We all want to know before investing if a dollar spent will return more than a dollar back. And we want more than a “hunch” that this return is feasible.

The Return-on-Investment (ROI) portion of the Experiential Benchmarking database does exactly this. It allows you to model out the value or return in real dollars that you can reasonably expect from the marketing program you’re proposing. Are you projecting a 1.5-to-1 return (150% ROI) or is it closer to 3-to-1 (300%)? What decisions did you make in configuring your program to maximize the ROI? When you can answer these questions clearly and demonstrate the value based on the track record of others’ success (or by avoiding others’ shortcomings) you demonstrate to your stakeholders the value before their money is spent. And this shortens the path to “Yes.”

## NEGOTIATING BETTER VENUE/ SPONSORSHIP AGREEMENTS

The right benchmarks will give you a point of reference when speaking with venue managers and developing sponsorship agreements. You’ll be in a stronger negotiating position with data on your side.

## VALIDATING VENUE MANAGER AND PRODUCER PERFORMANCE COMMITMENTS

When a venue manager tells you that their convention is a great place to engage millennial women, you can consult the appropriate benchmark tables to validate that claim.

> Hypothetical Example
> Consulting your Gender Prevalence Benchmarks by Venue Type table shows you that conventions tend to skew toward males, with two-thirds (64%) of campaign engagements with males and only one-third (36%) with females. Furthermore, you might notice in the Age/ Generation Prevalence Benchmark by Venue Type table that conventions are only 35% Millennials while the majority (58%) are Gen X and baby boomer consumers.

That doesn’t mean the Venue Manager is lying. Their convention might be different. But you know that what they’re saying isn’t typical and that puts you in a better position to make a better decision or maybe negotiate a better price.

> Hypothetical Example
> Consulting those same tables, you might notice that millennials are at the bars and clubs (66%) more so than anywhere else and with a 50/50 gender split, this might be worth considering. However, if the brand you’re marketing doesn’t fit with the bar or club environment you might see that shifting your attention to fairs and festivals could work well. Fairs/ festivals tend to average 58% female with roughly half (46%) coming from the millennial generation. That might be a closer fit.

The point is you have information and data to go on. You have points of reference to know when you’re being sold a bill of goods by a venue manager that just needs to hit a quota and when you’re talking to a real partner who shares your interests and has the sponsorship package to get you what you need.

## CHOOSING THE BEST SPONSORSHIP PACKAGE

This information will allow you to choose the right sponsorship package for your Experiential Marketing campaign and the brand you’re serving. When everything and everyone is on the up-and-up, when you can validate the projections provided and get some confirmation as to the demographic targeting that can be fairly expected, you can plug these estimates into your predictive ROI model (see below) and identify which campaign options are associated with the best predicted outcome. And this allows you to choose the best sponsorship package for the program.

## VALIDATING A PROPOSAL'S PERFORMANCE PROMISES AND BUDGET

A solid benchmarking resource will allow you to validate an outside agency or vendor's plan. We recommend that you consult the right benchmarking tables in this report anytime you're evaluating an experiential activation strategy from an outside firm. There are two areas you're going to want to vet with these benchmarks: performance and budget.

### VALIDATING AGENCYS' PERFORMANCE COMMITMENTS

Performance promises are based on an expectation that the executing team will deliver a level of efficiency. This might be as broad as promising to distribute one million samples in 12 weeks or as specific as engaging 22 consumers per staffing hour. Either way, the number of consumer engagements and/ or samples is often the primary driver of budget. You need to be able to put a reality check on these promises.

You can use the benchmarks, or trends from past campaign performance, to better understand if the proposal you're evaluating is over- or under-promising in terms of productivity. Ask yourself questions like the following:

- **Question:** Is it reasonable to expect six people sampling consumers for eight hours a day, five days a week to distribute 300,000 samples in twelve weeks (one sample per person)? Is this too high?

  > **Hypothetical Answer:** This seems like a fair estimate. When you consult the Sampling Efficiency Benchmarks by Event Size table in your benchmarking report, you might see that venues where attendance is estimated at 1,000 or more people, the average sampling rates start at 104.2 per hour. The proposal you're evaluating is suggesting 2,880 hours of staffing time (i.e., 6 people x 8 hours x 5 days/ week x 12 weeks = 2,880). And 2,880 hours at 104.2 samples per hour gives us an estimate of 300,096. Their plan appears to be spot-on.

- **Question:** The agency is suggesting they can only reach 250 people a day at venues with an expected attendance of 5,000 per day. Is this too low?

  > **Hypothetical Answer:** When consulting the Sampling Efficiency Benchmarks by Event Size table in your benchmarking report, you might see that sampling rates for venues with more than 1,000 but less than 8,000 in attendance averaged 450.2 samples per day. In this example, the estimate from the agency is low. They seem to be hedging their bets quite a bit. You should push back gently and see if you can't get them to set the bar a bit higher.

You'll notice we suggest you consider venue attendance over venue type when selecting a comparable benchmark. It's best to consider venues based on attendance anytime you're looking to project the volume of people who will be reached by your marketing. Venue type (e.g., sporting event, fair/ festival, etc.) is a great indicator of demographic profiles such as age or gender. Even psychographic profiles like "Outdoorsy Men" or "Socially Active Millennials" can be targeted by the type of venue. But when it comes to volume projections, stick with attendance counts.

### EVALUATING A CAMPAIGN BUDGET BEFORE COMMITTING

Experiential marketing budgets are developed through a trade-off process between how many people are going to be reached (e.g., event days, staff counts, etc.) versus the experience being delivered to those people when they are engaged. Bigger and more impressive experiences tend to be more expensive. This is not always the case but often enough that the trade-off is real.

Experiential marketing can reach a million people at an expense that costs one dollar per person in a passive, fleeting engagement. Or the same campaign can target one person with a million dollar spend and create a loyal customer for life. These are stupidly extreme examples, but the reality is that the person or team designing the experiential plan has to make decisions about this trade-off. We discuss this trade-off and how it impacts ROI later in the report.

But there is nothing stopping you from looking at how others have done this and how that compares to what's being proposed to you. This is often done by looking at the cost per sample or cost per engagement.

Ask yourself the following question when looking at an experiential plan designed to hand out 45,000 samples for $700,000 at a series of small events (less than 125 in attendance on average per event):

- **Question:** When I divide the total budget ($700,000 all in) by the number of samples being distributed (45,000), the average cost per sample of $15.56. Is this reasonable? Could it be better?

  **Hypothetical Answer:** This isn't outrageous but there may be things that could be done to make the marketing more efficient. When you consult the Sampling Efficiency Benchmarks by Event Size table in this report you might see that the benchmark cost per sample for small events is $14.40 per sample. You're a little above this (8% higher) but that might be fine based on the plan.

  But when consulting the table further you might see that the benchmark cost per sample goes down as the event size goes up. The largest event category benchmarks might have a benchmark as low as $6.42 per sample. If this was the case, it would be worthwhile to take a second look at the routing schedule to see if there is an opportunity to get a few larger events into the mix. This could bring your overall average down a bit and help deliver a more cost-efficient program.

It's important to note, however, that benchmarks are not absolutes, especially when it comes to price. One of the greatest things about Experiential Marketing is that it isn't yet and should never be treated as a commodity. If you're on the brand side and overly focused on "working dollars" than you'd be better served with more direct mail or shelf-talkers.

Experiential is about doing something special for consumers that communicates your brand's value in a way that other channels (e.g., TV, digital, print, radio, etc.) can't. It's going to cost more. But the return is more than worth it (just flip ahead to the ROI section for this report for proof). So, don't beat up your supplier on budget. Just make sure everyone is being honest and fair.

## MANAGING CAMPAIGN PERFORMANCE

When you have performance benchmarks from dozens of experiential programs you know what to expect. The proper use and application of experiential benchmarks will allow you to establish the right Key Performance Indicators (KPIs) to evaluate campaign performance during execution and when your program is complete.

### DEFINING CAMPAIGN KEY PERFORMANCE INDICATORS (KPIS)

Key Performance Indicators are the metrics you use to define what you expect. A Key Performance Indicator or KPI can take several forms but when it comes to experiential marketing, the PortMA method focuses on KPIs that define "execution performance" and "impact." Both metrics should be established based on a complete understanding of historical benchmarks.

Execution performance benchmarks are defined by reach efficiency (e.g., number of interactions per event, cost per sample, etc.) and reach quality (e.g., percent of time the marketing is reaching the target consumer). When these execution metrics are benchmarked you set expectations for performance. And as status reports are provided and reviewed, there is context to evaluate whether performance is strong or weak or, more importantly, where it is strongest (best practices) and where it is weakest (areas for management/ attention).

Impact benchmarks can take several forms and will always relate directly to the outcomes needed that drove the marketing to be commissioned in the first place. While there are endless possibilities on what this means specifically for your campaign, the PortMA method distills these outcomes down into two metrics: consumer advocacy (e.g., viral word-of-mouth, recommend intent, Net Promoter Score, etc.) and purchase behavior (i.e., intent or actual behavior).

## USING EXPERIENTIAL BENCHMARKS TO MANAGE AND EVALUATE PERFORMANCE

KPIs based on experiential benchmarks define reasonable expectations as they are based on past performance. They define a point of comparison to evaluate whether actual activity is high or low.

The campaign benchmarks in this report are organized with the development of these KPIs. The Execution Performance benchmarks in this report include the average consumer engagements and/ or samples distributed per event day and per hour. They are supplemented by a set of benchmarks that define average cost per consumer engagement and/ or sample distributed.

You simply don't know when you've arrived if you don't define the destination. These micro volume metrics (engagements/ samples per event day or hour; cost per engagement/ sample) deconstruct your macro volume metrics into manageable groupings. It may be your goal to engage 94,500 consumers over the campaign's 175 event days, but it's something different to say that your KPI is 540 engagements per day (540 engagements per day * 175 event days = 94,500 engagements total). You can manage to 540 per day. Your status reports have meaning when you know your KPI is 540 per day.

And you know the 540 per day is a reasonable expectation (or not) because of historical precedence. When you look at the average engagements per day for other campaigns, you can evaluate your target of 540 per day as either accurate (others have seen similar numbers), low (others have done much better) or too high (others have done much less). Only a clear understanding of historical benchmarks can tell you for sure.

During campaign execution, you evaluate your status reports based on actual performance per day (or per hour) versus the benchmark KPIs. Identifying low performance (i.e., metrics that are trending below your benchmarked KPIs) highlight areas in need of management attention. Higher than expected performance defines best practices and therefore warrants investigation to identify what is working better than expected. As an experiential campaign manager, you have a responsibility to the team and the brand to investigate and communicate emerging best practices so as to leverage learnings and improve overall program performance. This all starts with the right performance KPIs.

## USING BENCHMARKS AS A BETTER EXPERIENTIAL RECAPPING TOOL

When the program is complete and the last sample distributed, there is always a process of counting it all up and reporting what happened. Hopefully, if the team has been doing its job there are no surprises. It's poor form to wait until everything is done and cross your fingers that the story is a good one, so the experiential team has likely been reporting progress during the execution (hopefully in the context of benchmarked KPIs). The last step, once everyone finishes reporting that they did what they said they were going to do, is to put those outcomes in context.

Are your recap reports simply photo albums and receipts? Do you provide a couple of pages up front that show all your attendance figures, engagement counts, samples distributed, and impression estimates? And then do you sum those columns to show that they are equal to or just a little bit greater than what the brand team hired you to do in the first place? This is simply a receipt. It's not insight. And when you follow this page in your recap by a dozen or so pages of photos of good-looking, smiling consumers (who look like the people you were told to reach) enjoying the footprint you created, this is a photo album. While the traditional "Photo Album and Receipt" recapping style is important, it's not as impactful as providing real, actionable consumer insights.

Insights come from segmenting your outcomes and comparing them to expectations or other points of reference. First, you standardize the measure (by dividing a sum by event days, for example) and then you compare it to others. Your state fairs might have delivered higher efficiency (samples per hour) than retail intercepts. This is good to know. But were your state fairs on par with what was to be expected? Are you delivering an optimal state fair performance or is there room for growth? Only historical benchmarks or extensive points of reference outside the current campaign can answer this question. And if you don't have this data organized in-house, you need to have access to a resource that does.

Why? Because this is the resource that informs you and the brand team whether that state fair was the right one for the brand. Should you attend again? Was the sponsorship fee worth the outcome? Did it give you exposure to the right type of people? Did your venue selection and staffing configuration deliver comparable outcomes to what the industry sees? Are you over- or under-performing? Are you paying too much or getting a great deal? When you know this at the venue and event day level, you can develop a strategic roadmap for next year that will deliver the same if not better results for the brand. This is a plan that will be renewed, one that everyone can get excited about.

When you base your experiential marketing design, execution strategy, monitoring, and final recapping on a robust base of experiential marketing benchmarks you are serving the brand with a level of guarantee that is rarely seen in the out-of-home industry. Experiential benchmarks serve as an insurance policy that all but ensures success. By setting expectations and managing to those expectations you are using benchmarks to underwrite your own success.

# EXPERIENTIAL MEASUREMENT BEST PRACTICES – THE THEORY

## MEASURING EXPERIENTIAL AND EVENT MARKETING

### INTRODUCTION

Experiential marketing is a revenue-generating tool for the brands we serve. The problem is proving it. Since 2010 PortMA has been focused on solving this problem for marketing agencies and brands.

The goal has always had one singular focus: how to measure the value of experiential marketing. By applying simple marketing research principles, we cracked the code and have an approach that has worked for hundreds of experiential marketing campaigns. We're going to show you exactly how we do it.

### THREE CORE QUESTIONS

When you're finished with these materials, you'll realize that the answer has everything to do with understanding "Reach," "Impact," and "Value or ROI." And this is because measuring experiential marketing is about answering three key questions:

1. How efficiently am I reaching the right consumers?
2. Am I creating intent where it didn't previously exist?
3. Under what circumstances am I generating the greatest Return-on-Investment for the brand?

When you can measure, track, and react to your performance against these three questions you are working in a value-centric manner and are thus true stewards of the brands you serve.

## HOW EVENT MARKETING DRIVES PURCHASE BEHAVIOR

### PURCHASE CYCLES AND EVENT MARKETING

Let's start by taking a brief step back and talk first about the job of marketing in general.

Every brand has a consumer in mind. This may be moms with young children in the household. It could be twenty-something, outdoorsy men. It might be young professionals working in Human Resources.

In marketing research, we call these groups demographic or psychographic profiles and they are the root of any consumer segmentation and at the core of the brand's "identity."

Regardless of who you're trying to reach with your marketing, there is a reason why 100% of this target consumer group is not buying the brand. And that reason is always because the consumer is stuck at some stage in the purchase process. Why they are stuck is often called the "Marketing Challenge." Good marketing "un-sticks" them.

So, what is this purchase process?

When any of us decide to do anything, we must work through a four-stage process. Buying a product or service is no exception.

It starts with "need." We must have a problem that the brand solves. For the brand to even be in our consideration set we need to identify with the problem or have the need.

Next, we must to be aware that the brand is associated with the solution. Furthermore, we have to know of and believe in the credibility of the "Brand Promise," that if we were to engage the brand, we will have a solution to our problem.


Third, we need to get a “taste,” sometimes quite literally, of what the solution will feel like. Call it a trial run. We must know that the solution is right. Before we give up our hard-earned dollars or valuable time and effort, the brand needs to show us that we’re not being conned.

Finally, we need to experience the solution and indeed realize that solution. All the work done to set our expectations needs to align with our experience so that we become not only a buyer of the product or service but a loyal customer.

The indicator that your marketing is working and that it’s moving consumers through the purchase cycle is evident when you can measure changes in consumer attitude or behavior across this cycle.

Good marketing will change attitudes among consumers who are stuck in the “Need” and “Awareness” stage. Likewise, good marketing will change the behavior among consumers who are stuck in the “Trial” or “Purchase” stage.

When you know where the consumers you engage are in the purchase cycle and how you’ve influenced attitude or behavior, you can start to get a clear picture of your marketing programs’ value to the brand.

## HOW TO GENERATE CONSUMER INSIGHTS WITH YOUR EVENT MARKETING DATA

### DEFINING CONSUMER INSIGHTS

Measuring experiential marketing is about applying these ideas to your activations. It’s about knowing who you reached, how you impacted them, and how these two come together to deliver a dollar value greater than what was spent to create the engagement in the first place.

Your marketing “reach” is the number and type of people you “touched.” It’s the experiential equivalent of “Gross Rating Points” (GRPs) and it’s defined by the impressions, interactions, and sample counts as well as the demographic and psychographic profile of your event patrons.

Impact is a measure of the change that the marketing created. It’s measured in the context of changes in attitude and behavior. Where direct behavioral changes are not possible, future intent can be measured and modeled to accurately reflect actual behavior.

Value comes from merging reach and impact to derive a monetary value. When this monetary outcome is modeled against program spend, the resulting measure is the ROI.

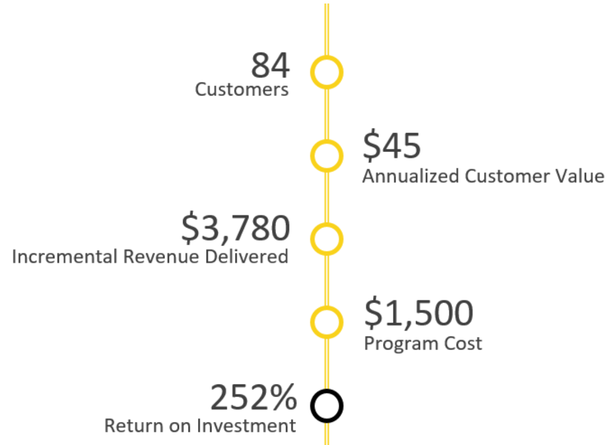
So… let’s look at an example of how ROI is figured.

### THE BASIC ROI MODEL

During your marketing programs, you engage potential customers. You engage a lot of potential customers.

Let's say you engage 400 people. And you learn that half don't currently buy the product, which means you engaged 200 "non-customers" (how you learn this will be covered soon). Through your onsite research you learn that 70% of these "non-customers" leave the event saying they'll buy in the future, which means you potentially converted 140 non-customers to future customers. But people don't always do what they say they're going to do. So how many can you realistically expect to convert?

There are a lot of ways to estimate actual versus reported behavior. We have research that indicates it's around 60%. That's 84 estimated new customers based on the experience you delivered.




How can we convert these new customers to a dollar value? It's done with simple math.

Let's start by estimating a value per customer. For this example, let's assume that the average customer buys three SKUs per year at $15 each. That will result in an annual customer value of $45.

Multiply those together and you have roughly $3,780 in incremental value from new customers. If that day of activity cost $1,500 to pull off you're looking at an ROI of around 252%.

## HOW TO TRANSLATE ROI INTO INSIGHT

Here's a secret that most of the industry doesn't yet understand. As soon as you get to the point where you have this number, this 252% ROI… you'll realize it doesn't mean anything. Sure, you'll wipe the sweat from your brow that it's positive, but in and of itself it's meaningless. Because it's not actionable.

To make it actionable, you need to segment it and compare it to benchmarks. Here are some examples of what we mean by "segments."

For example, an account team may find that they are delivering more than twice the return for the brand when they are at "Venue A" then when they are at "Venue C." We commonly see big differences in ROI by venue type with most of the programs we work on. Likewise, you may see that there are differences by market, staffing configuration, or even type of sample.

When you segment your ROI, you make the ROI actionable and provide yourself with unprecedented levels of expertise on what drives experiential marketing impact.

## TRANSLATE ROI INTO STRATEGY: AN EXAMPLE

For example, let's say Venue A was "Fairs/ Festivals," Venue B was "Sporting Events" and Venue C was "Street Intercepts." The data might clearly indicate that while the overall ROI was 252%, there were significant differences across venue types. Specifically, Fairs/ Festivals could have had much higher ROI than the other types. Putting more focus on Fairs/ Festivals and less on Sporting Events or Street Intercepts could double your return-on-investment.

This is how you not only *look like* an expert but *become* a true expert on what delivers return for the brand.

And to get there, you need just three things: 1) the number of people you reached, 2) the percent who represent non-customers, and 3) the percent who want to buy in the future.

You'll get the number of people you reached from your field staff recap reports. The percent of non-customers and percent who want to buy comes from a simple exit survey.

Those are the basics and it's truly that easy.

## METRICS AND DEFINITIONS FOR THIS REPORT

The data in this report is derived from PortMA's experiential marketing evaluation research (starting in 2010) and includes both direct consumer interviews completed onsite and information provided via field staff event recap reports.

These data are standardized across programs and stored in PortMA's data warehouse for benchmark reporting and the production of syndicated research reports.

At the time of this publication, PortMA's Experiential Benchmarking database contains over $87.4 million (USD) spent on experiential brand marketing, $468,359 of which has been segmented for this report. The performance and outcomes have been summarized here to help you derive stronger performance from your own marketing spend.

This report focuses on Whiskey & Bourbon and is based on the following data counts:

- **38,320 Total Samples Distributed**
  When a campaign is focused on product sampling (i.e., wet, dry, or both), the number of consumers sampled is used as the primary engagement count instead of total samples distributed. This is done to avoid double-counting as it is common for consumers to be provided more than one sample.

  Total consumer interactions are used as the primary engagement count when the campaign does not include product sampling.

- **13,055 Total Consumer Exit Interviews**
  This represents the total number of consumer interviews included in the analysis. Consumer interviews are completed onsite by trained field staff, brand ambassadors, and/ or PortMA ethnographers (specialty trained in-market staff hired and managed by PortMA directly).

  PortMA's benchmarking database contains both control and test data. "Control" data is data collected from consumers at the location of the activation but who self-report to have not engaged or had prior awareness of the brand activation that day. "Test" data includes interviews completed immediately after a consumer's onsite activation experience. In this sense, these interviews take on the traditional "exposed group" in a marketing test.

  Unless otherwise stated, all of the data in this report represents "Test" data or interviews from consumers after they have had the full brand activation experience.

- **1,559 Total Event Days**
  An event day is defined as an activation by a single team within a single calendar day (exception is made for events that go beyond midnight). For example, an activation at a three-day festival where the field team is scheduled to be onsite from 10:00 AM to 10:00 PM each day is recorded as three activation days. If an on-premise activation starts on a Friday at 8:00 PM and goes until 1:00 AM Saturday morning, it's treated as a single activation day.

  The Field Staff Recap Report database (a.k.a., the Meta Data) includes key metrics that define an overall campaign and represent the data points PortMA identifies for long-term archive. They are recorded by the campaign project team and approved by brand stakeholders through a comprehensive recapping process. At times, secondary research sources are consulted.

## HOW TO CHOOSE THE MOST APPROPRIATE BENCHMARKS

Benchmarking metrics represent data from multiple experiential marketing campaigns combined in different ways to serve as a point of comparison. Think of benchmarks in the same way as a home appraiser thinks about home value. The real estate market evaluates one person's home based on what everyone else would likely pay for it. They determine what everyone else would likely pay by looking at what the actual purchase price has been recently for similar homes in the same neighborhood.

We do the same with experiential benchmarks. You have several points of comparison you might choose from and the suite of reports provided by PortMA are organized around what makes the most sense for you.

The PortMA syndicated reporting suite has six pre-built points of comparison available to you for immediate access:

1. Product/ Service Price Points (e.g., a purchase price point between $10 and $20)
2. Industry Category (e.g., Consumer Packaged Goods > Juice)
3. Consumer Demographic Profile (e.g., Women under 40 with Kids in the Household)
4. Geographic Region (e.g., Northeastern United States)
5. Campaign Event/ Venue Type (e.g., Fair/ Festivals)
6. Event Activation Budget (e.g., $2,500 to $4,500 Budget per Event Day)

If the report segment you need hasn't been published, you may request custom combinations of any of these categories which can be developed and provided in five business days (two business days with rush fees added).

If you don't see what you're looking for, be sure to contact us (800.917.9983 or info@portma.com). Chances are we can get you what you need.

## TABLE STRUCTURE AND DATA ANONYMITY

You'll find the core industry benchmarks for the defined segment outlined in tables spread throughout this report. Each table contains overall figures as subtotals or totals at the bottom of the table where appropriate. The columns represent logical segments, or the different metrics outlined in the text before the table.

In cases where data from individual campaigns are summarized, the average (i.e., mean) is calculated for each campaign and then the median (middle measure) among those averages is presented as the benchmark after outliers were removed (using a statistical method known as 1.5xIQR). The median is chosen as the most appropriate overall measure of central tendency to address the influence of high or low outliers.

For any campaign data to be included in a PortMA benchmarking report it must be derived from three or more campaigns. This is done to assure the data source remains anonymous.

The total number of event days and/ or the total number of consumer interviews are presented in all tables so the reader (and analyst) can evaluate the weight of statistical confidence as appropriate to their individual needs. PortMA would be happy to provide one-on-one assistance with this for any customers (800.917.9983 or info@portma.com).

# EVENT MARKETING REACH

## INTRODUCTION

When we speak about "Event Marketing Reach" metrics and benchmarks we are talking about the levels to which the marketing is reaching consumers. This has both a quantity and quality component: quantity in the sense of volume, costs, and related efficiencies, and quality in the context of the first of our three primary grounding questions when evaluating any marketing activity which is, "How often am I reaching the right consumer?"

## EVENT MARKETING EFFICIENCY

Event marketing efficiency represents how efficiently you're reaching consumers. The design of event marketing strategy includes trade-offs between those event elements that would immerse the consumer in the brand and those which would maximize foot traffic volume.

The event marketing design team can decide to engage one person with a million-dollar spend or a million people with a one-dollar spend each. The reality is typically somewhere in the middle. This middle ground results in a level of marketing efficiency which can be measured and benchmarked in terms of three Efficiency Metrics.

### EVENT MARKETING EFFICIENCY METRICS

A. **Per Hour.** The number of interactions or samples per staffing hour; calculated by dividing the total number of interactions or samples by the total number of staffing hours (i.e., number of engagement staff times the hours of operation).

B. **Per Event.** The number of interactions or samples per event day; calculated by dividing the total number of interactions or samples by the total number of event days.

C. **Cost Per.** The cost per interaction or sample distributed; calculated by dividing the total campaign budget by the total number of interactions or samples.

In this report, we define "interactions" as the number of unique individuals a Brand Ambassador reached. This is not to be confused with "engagements" which represent the things an individual did at the activation. A single consumer can have multiple brand engagement experiences on one footprint interaction.

Event Marketing Efficiency is important for multiple reasons:

- When planning a campaign, efficiency metrics can be projected and benchmarked against industry averages to identify efficiencies or overage risks before the campaign begins.
- When segmenting efficiency metrics by market, venue type, or activation strategy (both before and during a campaign), campaign managers can identify best practices or areas of lower performance and make real-time adjustments to the strategy to improve overall value to the brand.
- When the campaign is complete, efficiency metrics can be used to evaluate venues, markets, and activation strategies for those scenarios which generated the strongest performance, thus building future activation roadmaps that will generate incrementally greater returns for the brand year-over-year.

**Use Scenario: Efficiency Metrics**

A brand team is in the midst of planning for the next fiscal year and reviewing agency budgets.

Agency A submitted a sampling budget of $437,500 to engage 50,000 over 215 event days. Using the benchmark of 209.6 samples per event, the brand team can see that they'd anticipate 45,064 consumers sampled across 215 events. The agency estimates might be a little bit aggressive but not too much so.

The budget seems a little on the low side. All else being equal, the benchmarks tell us to expect an average cost of $9.15 per sample. Based on this overall benchmark, we'd anticipate a total program budget closer to $457,500 ($20,000 more than proposed). This might be why the total sampling is coming in low.

The brand team should monitor these metrics closely during activation and consider adding events if run-rates indicate the 50,000-sampling target is feeling pressure.

- And, because these metrics are standardized, when activations are complete, efficiency metrics allow a brand team to use benchmarks to evaluate the activation team's performance versus industry benchmarks and/ or other internal channels.

**Table 1 – Interactions per Activation Hour**

| Interactions per Event Day | | Average Interactions per Hour | Percent | No. of Hours[1] |
|---|---|---|---|---|
| Lowest: 91.0 or Less | | 34.2 | 15% | 1,129 |
| Low: 91.0 to 153.4 | | 59.1 | 23% | 449 |
| Average: 153.4 to 173.3 | | 33.8 | 23% | 313 |
| High: 173.3 to 273.4 | | 29.4 | 23% | 1,209 |
| Highest: 273.4 or More | | 70.0 | 15% | 160 |
| | **Overall** | **37.6** | **100%** | **3,259** |

*[1]Represents multiple staffing scenarios*

**Table 2 – Interactions per Event Day**

| Interactions per Event Day | | Average Interactions per Event Day | Percent | No. of Event Days |
|---|---|---|---|---|
| Lowest: 91.0 or Less | | 81.0 | 20% | 509 |
| Low: 91.0 to 153.4 | | 116.1 | 20% | 433 |
| Average: 153.4 to 173.3 | | 166.4 | 20% | 183 |
| High: 173.3 to 273.4 | | 235.2 | 20% | 205 |
| Highest: 273.4 or More | | 310.2 | 20% | 181 |
| | **Overall** | **149.8** | **100%** | **1,511** |

**Table 3 – Cost per Interaction**

| Interactions per Event Day | | Average Cost per Interaction | Percent | No. of Interactions |
|---|---|---|---|---|
| Lowest: 91.0 or Less | | $4.55 | 33% | 38,615 |
| Low: 91.0 to 153.4 | | $21.42 | 67% | 13,658 |
| Average: 153.4 to 173.3 | | -- | -- | 0 |
| High: 173.3 to 273.4 | | -- | -- | 0 |
| Highest: 273.4 or More | | -- | -- | 0 |
| | **Overall** | **$8.96** | **100%** | **52,273** |

**Table 4 – Sampling/ Interaction Type**

| Interaction Type | Percent | No. of Event Days |
|---|---|---|
| No Sampling (Interaction Only) | | 0 |
| Sampling (Wet and/ or Dry) | | 0 |
| Wet Sampling | 100% | 1,559 |
| Dry Sampling | | 0 |
| Both Wet and Dry Sampling | | 0 |
| **Overall** | **100%** | **1,559** |

**Table 5 – Interaction Benchmarks for Sampling Interactions by Event Size**

| Event Size (Attendance per Event) | Samples per Hour[1] | Samples per Event | Cost per Sample | No. of Event Days |
|---|---|---|---|---|
| Sampling (Wet and/ or Dry) | | | | |
| Lowest: 128 or Less | 30.9 | 77.5 | $10.53 | 543 |
| Low: 128 to 202 | 47.8 | 111.4 | $7.31 | 363 |
| Average: 202 to 371 | 31.2 | 230.0 | -- | 114 |
| High: 371 to 609 | 44.2 | 212.2 | -- | 215 |
| Highest: 609 or More | 66.6 | 231.5 | -- | 154 |
| **All Sampling** | **40.8** | **274.1** | **$10.28** | **1,389** |

*[1]Represents multiple staffing scenarios*

**Table 6 – Interaction Benchmarks by Nightlife**

| Benchmark Segment | Interactions per Hour[1] | Interactions per Event Day | Cost per Interaction | No. of Event Days |
|---|---|---|---|---|
| **Nightlife Events** | | | | |
| Off-Premise | -- | -- | -- | 0 |
| On-Premise | -- | 145.9 | -- | 190 |
| Off/ On-Premise Combined | 56.0 | 181.6 | $4.67 | 1,099 |

*[1]Represents multiple staffing scenarios; -- indicates insufficient data for analysis*

## COST PER EVENT DAY

Above we define “efficiency” as a metric concerning only how many consumers a campaign team engages. And we expand on this measure by including a benchmark of how costs average per consumer engaged (either via sampling or non-sampling interaction).

Benchmarks of efficiency can also look at the cost per event day to identify how much is being spent versus industry average, helping a brand or agency team develop a competitive run-of-show. To do otherwise can set both the brand and the agency up to fail when the overall spend is held accountable against ROI benchmarks.

### COST PER EVENT DAY METRIC

**Per Event.** The cost per event day; calculated by dividing the total campaign budget by the total number of events (in this report we define an event as a single day of in-market activity at one location).

### Table 7 – Cost per Event Day

| Interactions per Event Day | Average Cost per Event Day | Percent | No. of Event Days |
|---|---|---|---|
| Lowest: 91.0 or Less | $400.43 | 33% | 439 |
| Low: 91.0 to 153.4 | $2,120.07 | 67% | 138 |
| Average: 153.4 to 173.3 | -- | -- | 0 |
| High: 173.3 to 273.4 | -- | -- | 0 |
| Highest: 273.4 or More | -- | -- | 0 |
| **Overall** | **$811.71** | **100%** | **577** |

### Table 8 – Cost per Event Day Benchmarks by Sampling Interaction Type and Event Size

| Event Size (Attendance per Event) | Cost per Event | No. of Event Days |
|---|---|---|
| Sampling (Wet and/ or Dry) | | |
| Lowest: 109 or Less | $400 | 439 |
| Low: 109 to 111 | -- | 0 |
| Average: 111 to 117 | $2,695 | 99 |
| High: 117 to 128 | -- | 0 |
| Highest: 128 or More | $661 | 39 |
| **All Sampling** | **$812** | **577** |

### Table 9 – Cost per Event Day Benchmarks by Nightlife

| Benchmark Segments | Cost per Event | No. of Event Days |
|---|---|---|
| Nightlife Type | | |
| Off-Premise | -- | 0 |
| On-Premise | -- | 0 |
| Off/ On-Premise Combined | $422 | 478 |

## EVENT MARKETING REACH QUALITY

"Message-to-Market Match" is a fundamental principle of marketing. The principle states that for a marketing communication to resonate with any consumer, that message must match the consumer's need state. The message must be relevant to the consumer. When the message being communicated is not relevant to the consumer there will be no impact and therefore no value.

There are only two possible reasons why a message did not resonate. Either the message itself was wrong or the person it was delivered to was wrong. Message quality is not measured with reach metrics. This is best evaluated with impact metrics (addressed later in this report). However, whether the person who received the message was the right person to begin with is very much a reach metric.

As stated in the report, the overarching paradigm of event measurement is to concern oneself with three primary questions. The first of these questions is "How often am I reaching the right type of consumer?" The "right" consumer is one who aligns with the brand's consumer segmentation work, whether it be highly refined or simple.

We are concerning ourselves here with definitions of reach quality such as millennials, moms under 30, or frequent business travelers. They are the cohorts defined by brands as those consumers who represent the best opportunities for increased consumption, competitive acquisition, or category introductions.

**Use Scenario:**
**Reach Quality Metrics**

An agency account team is developing the next fiscal year's routing schedule for a mobile tour anchored by a food truck. Their goal is to maximize the brand's exposure to Men over 40.

In reviewing the event marketing benchmarks overall, they see that men tend to represent 46% of those attending an event. But there are a few event types that tend to over-index for men, including sporting events and conventions.

Looking at age breakouts at events overall, they see that roughly half (51%) of all industry activations tend to be with consumers who are millennials or younger. Sporting events, office parks, and off-premise all tend to have older consumers.

Cross-referencing this list with those who over-index for men points toward sporting events as a key strategic venue type to vet and recommend.

## BENCHMARKING EVENT MARKETING REACH QUALITY

The primary tool to maximize the quality of the event marketing reach is venue selection.

Consumers self-select and categorize themselves based on where they live, work, and play. Millennials are at the club. Moms under 30 can be found at the local soccer league's Saturday morning game. The frequent business traveler is at the airport.

When we know how consumer demographics trend by venue type, strategic decisions can be made concerning venue selection/ program routing to maximize the amount of time the marketing is reaching the right consumer, maximizing the opportunity for positive impact due to a strong message-to-market match.

By using gender, age, and parental status benchmarks, the brand manager and agency executive can plan an activation schedule that maximizes the opportunity to reach the right consumer with the right message, maximizing the impact of their event marketing.

### GENDER CATEGORIES

This report uses a binary measure of gender: "female" and "male." As such, it addresses a common consumer targeting demographic profile. Non-response or "Choose not to answer" historically represented a small proportion of responses. These responses were removed from the data for analysis.

In 2019 PortMA updated their gender classification benchmarks to include "Does not Identify" as a third option on all consumer exit interviews. Future iterations of this report will include this consumer demographic. There was insufficient data at the time of reporting to do so in the current edition of this report.

**Table 10 – Gender Prevalence Overall**

| Gender Profile | Percent | No. of Respondents |
|---|---|---|
| Female | 43% | 5,437 |
| Male | 57% | 7,330 |
| **Overall** | **100%** | **12,767** |

**Table 11 – Gender Prevalence Benchmarks by Nightlife Events**

| Benchmark Segments | % Female | % Male | No. of Respondents |
|---|---|---|---|
| Nightlife Events | | | |
| Off-Premise | 42% | 58% | 2,366 |
| On-Premise | 43% | 57% | 9,159 |

## CONSUMER AGE CATEGORIES AS GENERATIONS

The Consumer Benchmarks database contains year of birth which is used to generate generation categories based on the following assumptions. Note that these generation definitions were derived from those used by the Center for Generational Kinetics (http://genhq.com)

A. **Generation Z:** Born 1996 or after.

B. **Millennials:** Born between 1977 and 1995.

C. **Generation X:** Born between 1965 and 1976.

D. **Baby Boomers:** Born between 1946 and 1964.

E. **Silent Generation:** Born between 1945 or Before.

Age is calculated using the year the exit interview was completed and subtracting the report year of birth.

**Table 12 – Age/ Generation Prevalence Overall**

| Generation | Average Age | Percent | No. of Respondents |
|---|---|---|---|
| Generation Z (1996 or After) | 21.1 | 1% | 70 |
| Millennials (1977 to 1995) | 28.7 | 75% | 9,470 |
| Generation X (1965 to 1976) | 44.0 | 16% | 1,990 |
| Baby Boomers (1946 to 1964) | 57.5 | 8% | 1,068 |
| Silent Generation (1945 or Before) | 74.6 | 0% | 61 |
| **Overall** | **33.7** | **100%** | **12,659** |

### Table 13 – Age/ Generation Prevalence Benchmarks by Nightlife Events

| Benchmark Segments | Average Age | % Gen Z | % Millennials | % Gen X | % Baby Boomers | % Silent Generation | No. of Respondents |
|---|---|---|---|---|---|---|---|
| Nightlife Events | | | | | | | |
| Off-Premise | 36.3 | 1% | 66% | 18% | 14% | 1% | 2,390 |
| On-Premise | 33.0 | 0% | 77% | 15% | 7% | 0% | 8,992 |

# EVENT MARKETING IMPACT

## INTRODUCTION

In the first section of this report we discussed the consumer purchase cycle and how consumers are moved through this purchase cycle with marketing. It bears repeating here with some additional details that a consumer's position in the purchase cycle will relate directly the type of information that is going to move them to the next stage and beyond.

## THE 4-STAGE PURCHASE CYCLE AND EVENT MARKETING IMPACT

When people make any decisions, they find themselves, often unconsciously, working through a four-stage process.


### STAGE 1: NEED – EDUCATING ON THE PROBLEM

The process starts with what we call at PortMA the "Need" stage. Someone who is not at the "need" stage doesn't have the problem that the brand is positioned to solve. This could be due to timing (they just bought toothpaste for example), they never purchase they category (they don't drink alcohol for religious reasons), or it's not a lifestyle match (they find golf boring). Regardless of why, a consumer at the "Need" stage is going to have to identify with the problem before they have any chance of moving forward.

### STAGE 2: AWARENESS – REASONS TO BELIEVE THE BRAND IS THE SOLUTION

If they do identify with the problem at any level, they will find themselves at the "Awareness" stage of the purchase cycle. At this stage, the biggest barrier to forward movement toward purchase is awareness that the brand is a solution. This understanding may be hindered by a lack of brand awareness to begin with or some prior experience with the brand that limits their understanding of the scope of solutions the brand can provide. The marketing needs to educate the consumer that the brand represents an opportunity to solve the consumer's problem before the consumer will move further in the purchase cycle.

These early stage purchase cycle challenges (i.e., Need and Awareness) require marketing that is education-based. No one is going to come to an event footprint, ask "what is that" and walk away with a receipt. They need to be taught about the problem and how the brand solves that problem. The consumer needs to understand that, if they let the problem go unaddressed, it will have a negative impact on their lives and/ or the lives of those they care about. They then need to learn about how the brand features solve this problem, the benefits of this solution, and why the brand's values and characteristics are a lifestyle match to the consumer. Consumers in the Needs and Awareness stages of the purchase cycle need education-based marketing. Coupons won't cut it at this stage but can be a critical part of later stage consumer purchase drivers.

### STAGE 3: TRIAL – TRUST THAT THE BRAND WILL DELIVER ON THE PROMISE

A consumer who has the need and is aware that the brand is a solution will need to overcome a final barrier to purchase. This barrier is primarily defined by trust. They need to, in some way, experience the solution at little to no risk for themselves. No one wants to be a sucker. Consumers need to know that other people like them, with their same problem, have come before and used this product to solve that problem. And then they need to overcome the challenge that keeps them from trialing the product.

Most of the time, the biggest barrier related to the trial stage is apathy. Consumers don't care. They have too many things that need their attention. A new nutritional bar or a better lightbulb isn't one of them. They may have a problem and want a solution but that's true for a lot of things in their life and they're not going to go out of their way to check out the brand you're promoting unless it's easy. Really easy means little to no incremental money or time spent.

Experiential sampling is the best form of trial and works beautifully in moving consumers through this barrier. This gives the consumer a chance to experience firsthand without spending any money (no risk). Or, if the engagement is at a state fair which is where they would have been otherwise, there is no time lost. It's rather convenient to take this backyard grill out for test drive while the rest of the family wanders the booth next door.

## STAGE 4: PURCHASE – WHERE EXPECTATIONS MEET EXPERIENCE

The final stage of the consumer purchase cycle is the purchase experience itself. It needs to be easy for the consumer to buy (at least not more painful than the problem), and their experience needs to match their expectations. This is the moment of truth where the expectations set by the marketing message will or will not match the experience of the customer. When there is alignment between expectations and experience the customer will be loyal. When there is not, they bounce back to the Trial stage, feeling like they've been conned.

Brand marketing that engages consumers who are at the Purchase Stage are engaging customers and therefore the marketing is a loyalty program whether intended or not.

Taken together, these four stages represent the overall consumer's level of awareness with the brand and define what marketing is going to work best during the planning process. And it can help to identify why marketing excelled or fell short when measured retroactively.

## EVENT MARKETING IMPACT METRICS – CONSUMER AWARENESS

Measuring impact is about measuring the consumers' attitude toward the brand in early cycle stages and about their intended behavior toward the brand in later cycle stages.

When a consumer is in the *Need* or *Awareness* stage, measures of recommend intent are available as an impact metric that does not get clouded by price or other purchase barriers. Likewise, measuring impact for consumers in the *Trial* or *Purchase* stages of the lifecycle is about measuring their behavior. This can be captured through post-event sales but in most cases, measures of purchase intent from the consumer directly will always be superior.

Relying only on measures of post-event sales will undervalue the impact of the marketing, as any post-event sales monitoring system is like a sieve with multiple holes. Coupons are forgotten at home on the fridge and while the product is purchased, there is no tracking code to tie that purchase back to the campaign. Consumers return to their home market and become loyal customers buying through an online channel or retail chain that is not a part of the post-event sales measurement process. There are just too many opportunities to miss. It is not suggested that you avoid direct sales measures when they are available, but they should always be analyzed in conjunction with a consumer exit survey that makes use of the right stratified cluster sampling techniques.

**Use Scenario:**
**Consumer Awareness**

An agency team is working to identify the most appropriate messaging for two new clients. One client operates in the food industry while the other is a financial product.

Reviewing the event marketing benchmarks for awareness by industry, the agency quickly realizes that while most consumers have some awareness and preconceived notion of a food brand, many brands in the finance industry don't enjoy the same levels of awareness.

Using this knowledge, the Account Director works with their creative team to develop a more information-based education campaign for the finance brand while focusing more on features and lifestyle benefits for the food client.

Using this direction as a starting point, the creative team can develop a run-of-show with a closer market-to-message match than would have been the case if they went it alone.

Consumer awareness (lifecycle stage) and measures of both recommend intent (a.k.a., *Advocacy*) and future purchase intent are best captured by a brief exit survey after the consumers' engagement experience. PortMA has completed literally hundreds of thousands of these exit survey interviews and together they make up the heart of the PortMA Experiential Marketing Benchmarks database.

## EVENT IMPACT METRICS

**Consumer Awareness.** This metric is measured on four levels so that it coincides with the four purchase cycle stages:

A. **Newly Educated.** A *Newly Educated* consumer is someone who has no prior experience with the brand and with no other information is best described as a customer at the *Need Stage* of the purchase cycle.

B. **Aware/ Non-Customer.** An *Aware/ Non-Customer* will have heard of the brand before but has had no first-hand purchase or use experience and is therefore at the *Awareness Stage* of the purchase cycle.

C. **Win-Back.** The *Win-Back* category represents a consumer who has purchased or otherwise had firsthand experience with the brand but has not purchased or used the brand within the last purchase cycle. This consumer has left the brand for a competitive offering or removed themselves from the category all together. This awareness state aligns with the *Trial Stage* of the purchase cycle.

D. **Current Customer.** A *Current Customer* is defined as having used or purchased the brand within the most recent purchase cycle. This group, as the name implies, represents consumers at the *Purchase Stage* of the purchase cycle.

When you understand where consumers are in the purchase cycle, you can develop communications and engagement strategies that provide the information needed for that consumer to move through the purchase cycle.

**Table 14 – Consumer Brand Awareness Overall**

| Awareness Categories | | Percent | No. of Respondents |
|---|---|---|---|
| Newly Educated | | 20% | 2,345 |
| Aware/ Non-Customers | | 28% | 3,316 |
| Win-Backs | | 23% | 2,648 |
| Current Customers | | 29% | 3,441 |
| | **Overall** | **100%** | **11,750** |

**Table 15 – Consumer Brand Awareness Benchmarks by Gender**

| Consumer Segment | % Newly Educated | % Aware/ Non-Customers | % Win-Backs | % Current Customers | No. of Respondents |
|---|---|---|---|---|---|
| Female | 24% | 30% | 20% | 26% | 5,009 |
| Male | 17% | 27% | 24% | 32% | 6,469 |

**Table 16 – Consumer Brand Awareness Benchmarks by Generation**

| Age/ Generation | % Newly Educated | % Aware/ Non-Customers | % Win-Backs | % Current Customers | No. of Respondents |
|---|---|---|---|---|---|
| Generation Z (1996 or After) | 9% | 17% | 29% | 46% | 70 |
| Millennials (1977 to 1995) | 21% | 29% | 22% | 29% | 8,485 |
| Generation X (1965 to 1976) | 17% | 27% | 24% | 31% | 1,807 |
| Baby Boomers (1946 to 1964) | 19% | 25% | 27% | 28% | 956 |
| Silent Generation (1945 or Before) | 22% | 29% | 18% | 31% | 55 |

**Table 17 – Consumer Brand Awareness Benchmarks by Nightlife Events**

| Benchmark Segments | % Newly Educated | % Aware/ Non-Customers | % Win-Backs | % Current Customers | No. of Respondents |
|---|---|---|---|---|---|
| Nightlife Events | | | | | |
| Off-Premise | 14% | 18% | 23% | 44% | 2,281 |
| On-Premise | 21% | 32% | 22% | 25% | 8,198 |

## EVENT MARKETING IMPACT METRICS – ADVOCACY AND PURCHASE

Outcome measures define success. Or more importantly, when segmented by key activation metrics such as market, venue type, consumers targeted, or activation strategy, outcome measures define best practices. When you know that street intercepts are generating 3x more impact than your mall kiosks, it becomes easy to develop evidence-based marketing strategies.

There are a wide variety of impact metrics available to the event marketer. Popular metrics include onsite sales (during the day of activity), coupon redemption, and post-event store sales.

Each of these methods have strengths and weaknesses. Focusing only on onsite sales is a short-term perspective. Certain products (toothpaste, automobiles, vacations) are often dependent on occasion-based purchases and if that occasion doesn't coincide with the event experience, the sale that happens down the road is not tracked. There is a similar holistic tracking problem with coupons as consumers often forget to use the coupon they received.

Direct measures of store (or account, internet, etc.) sales is a strong indicator of event marketing impact but often requires 60 to 90 days before it is available. And when it does become available, often the brand and agency team have all moved on to a dozen other initiatives and the value of this data inevitably falls short.

Because of this, there are two metrics that should be captured onsite at the event and used to determine and act on the program's impact before it becomes too late to "right the ship" or leverage emerging best practices. These measures include Advocacy and Purchase Intent.

### Use Scenario: Advocacy and Purchase

How many customers will I get from the events team this year? A global brand is working to profile the impact of different marketing options and one of the items on their plate is a $375k mobile tour.

The product, a just-launched ready-made frozen dinner, retails for $6.95. The typical customer buys 6x a year. Quick math reveals they'll need around 9,000 new customers to break even.

Will the mobile team reach enough consumers to make this even possible?

Using the data in the PortMA Benchmarking database, the opportunity becomes clear. Across 39,438 exit interviews for activations in the Food industry category, we see that 49% of consumers leave the event reporting that they "Definitely Will" purchase the product promoted.

Considering that only 60% of those who report they'll purchase will actually purchase, the team realizes that their industry category can anticipate an estimated 29.4% conversion. The mobile tour will need to reach 30,612 consumers in order break even.

With 200 medium sized events on the routing schedule this seems like a reasonable expectation.

The program is a "Go!"

## OVERALL RECOMMEND INTENT/ ADVOCACY BENCHMARKS

Advocacy is a measure of *Recommend Intent* and demonstrates the consumers' willingness to recommend the brand to friends, colleagues, or family members. It is the most appropriate measure of impact for consumers at the early stages of the purchase cycle. It also serves as a proxy for Net Promoter Score and thus aligns with most corporate brand health tracking measures.

**Table 18 – Consumer Recommend Intent/ Advocacy Overall**

***Recommend Intent:*** *"How likely are you to recommend [BRAND] to a friend or family member?"*

| Survey Response Categories | Percent | No. of Respondents |
|---|---|---|
| Definitely Will | 56% | 7,205 |
| Probably Will | 28% | 3,602 |
| Neutral | 10% | 1,346 |
| Probably Will Not | 3% | 427 |
| Definitely Will Not | 3% | 366 |
| **Overall** | **100%** | **12,946** |

**Table 19 – Consumer Recommend Intent/ Advocacy Benchmarks by Gender**

***Recommend Intent:*** *"How likely are you to recommend [BRAND] to a friend or family member?"*

| Consumer Segment | % Top Two Box | % Definitely Will | % Probably Will | % Neutral | % Probably Will Not | % Definitely Will Not | % Bottom Two Box | No. of Respondents |
|---|---|---|---|---|---|---|---|---|
| Female | 83% | 55% | 28% | 11% | 3% | 3% | 6% | 5,387 |
| Male | 84% | 56% | 28% | 10% | 4% | 3% | 6% | 7,280 |

**Table 20 – Consumer Recommend Intent/ Advocacy Benchmarks by Generation**

***Recommend Intent:*** *"How likely are you to recommend [BRAND] to a friend or family member?"*

| Consumer Segment | % Top Two Box | % Definitely Will | % Probably Will | % Neutral | % Probably Will Not | % Definitely Will Not | % Bottom Two Box | No. of Respondents |
|---|---|---|---|---|---|---|---|---|
| Generation Z (1996 or After) | 83% | 64% | 19% | 13% | 3% | 1% | 4% | 69 |
| Millennials (1977 to 1995) | 83% | 54% | 29% | 11% | 3% | 3% | 6% | 9,397 |
| Generation X (1965 to 1976) | 86% | 59% | 27% | 9% | 3% | 2% | 5% | 1,967 |
| Baby Boomers (1946 to 1964) | 83% | 61% | 22% | 9% | 4% | 4% | 8% | 1,058 |
| Silent Generation (1945 or Before) | 89% | 67% | 21% | 5% | 5% | 2% | 7% | 61 |

**Table 21 – Consumer Recommend Intent/ Advocacy Benchmarks by Nightlife Events**

***Recommend Intent:*** *"How likely are you to recommend [BRAND] to a friend or family member?"*

| Consumer Segment | % Top Two Box | % Definitely Will | % Probably Will | % Neutral | % Probably Will Not | % Definitely Will Not | % Bottom Two Box | No. of Respondents |
|---|---|---|---|---|---|---|---|---|
| Nightlife Events | | | | | | | | |
| Off-Premise | 88% | 66% | 21% | 7% | 3% | 3% | 5% | 2,380 |
| On-Premise | 82% | 52% | 30% | 12% | 4% | 3% | 7% | 9,293 |

## OVERALL PURCHASE INTENT BENCHMARKS

*Purchase Intent* is measured in the context of how likely the consumer is to purchase the brand during the next purchase cycle occasion. As such, it is a solid metric for consumers in the later stages of the purchase lifecycle and serves as a proxy for future behavior.

**Table 22 – Consumer Purchase Intent Overall**

***Purchase Intent:*** *"How likely are you to purchase [BRAND] the next time you are shopping for [CATEGORY]?"*

| Survey Response Categories | Percent | No. of Respondents |
|---|---|---|

| | | |
|---|---|---|
| Definitely Will | 45% | 5,916 |
| Probably Will | 31% | 4,078 |
| Neutral | 14% | 1,774 |
| Probably Will Not | 5% | 710 |
| Definitely Will Not | 4% | 552 |
| **Overall** | **100%** | **13,030** |

### Table 23 – Consumer Loyalty Benchmarks by Gender

***Purchase Intent:*** *"How likely are you to purchase [BRAND] the next time you are shopping for [CATEGORY]?"*

| Consumer Segment | % Top Two Box | % Definitely Will | % Probably Will | % Neutral | % Probably Will Not | % Definitely Will Not | % Bottom Two Box | No. of Respondents |
|---|---|---|---|---|---|---|---|---|
| Female | 75% | 44% | 31% | 14% | 6% | 5% | 11% | 5,422 |
| Male | 78% | 47% | 31% | 13% | 5% | 4% | 9% | 7,323 |

### Table 24 – Consumer Purchase Intent Benchmarks by Generation

***Purchase Intent:*** *"How likely are you to purchase [BRAND] the next time you are shopping for [CATEGORY]?"*

| Consumer Segment | % Top Two Box | % Definitely Will | % Probably Will | % Neutral | % Probably Will Not | % Definitely Will Not | % Bottom Two Box | No. of Respondents |
|---|---|---|---|---|---|---|---|---|
| Generation Z (1996 or After) | 77% | 51% | 26% | 17% | 3% | 3% | 6% | 70 |
| Millennials (1977 to 1995) | 76% | 44% | 32% | 14% | 6% | 4% | 10% | 9,460 |
| Generation X (1965 to 1976) | 78% | 49% | 29% | 13% | 5% | 4% | 9% | 1,982 |
| Baby Boomers (1946 to 1964) | 77% | 48% | 29% | 11% | 6% | 6% | 12% | 1,063 |
| Silent Generation (1945 or Before) | 75% | 41% | 34% | 16% | 0% | 8% | 8% | 61 |

### Table 25 – Consumer Purchase Intent Benchmarks by Nightlife Events

***Purchase Intent:*** *"How likely are you to purchase [BRAND] the next time you are shopping for [CATEGORY]?"*

| Consumer Segment | % Top Two Box | % Definitely Will | % Probably Will | % Neutral | % Probably Will Not | % Definitely Will Not | % Bottom Two Box | No. of Respondents |
|---|---|---|---|---|---|---|---|---|
| Nightlife Events | | | | | | | | |
| Off-Premise | 82% | 58% | 24% | 10% | 4% | 4% | 8% | 2,394 |
| On-Premise | 75% | 42% | 33% | 15% | 6% | 4% | 10% | 9,356 |

## CUSTOMER LOYALTY MARKETING STRATEGY – IMPACT BENCHMARKS FOR CUSTOMERS

As has been said earlier in this report, when you are marketing to current buyers of a product or service, you're executing a loyalty program. As such, it can be helpful to benchmark how current customers (i.e., those consumers who purchased the product or brand within the most recent purchase cycle) respond under different experiential marketing conditions.

When you know which customer-profiles have the strongest future purchase intent after an experiential interaction you can target these customers for more impactful marketing. And when you know how customer loyalty varies by industry after an experiential marketing interaction you can establish benchmarks from which to evaluate your success or identify the opportunity gap.

**Table 26 – Current Customers/ Buyers Purchase Intent Benchmarks by Gender**

***Purchase Intent:*** *“How likely are you to purchase [BRAND] the next time you are shopping for [CATEGORY]?”*

| Only Current Customers | % Top Two Box | % Definitely Will | % Probably Will | % Neutral | % Probably Will Not | % Definitely Will Not | % Bottom Two Box | No. of Respondents |
|---|---|---|---|---|---|---|---|---|
| Female | 92% | 74% | 18% | 4% | 2% | 2% | 4% | 1,280 |
| Male | 93% | 74% | 18% | 4% | 2% | 2% | 4% | 2,084 |

**Table 27 – Current Customers/ Buyers Purchase Intent Benchmarks by Generation**

***Purchase Intent:*** *“How likely are you to purchase [BRAND] the next time you are shopping for [CATEGORY]?”*

| Only Current Customers | % Top Two Box | % Definitely Will | % Probably Will | % Neutral | % Probably Will Not | % Definitely Will Not | % Bottom Two Box | No. of Respondents |
|---|---|---|---|---|---|---|---|---|
| Generation Z (1996 or After) | 91% | 75% | 16% | 9% | 0% | 0% | 0% | 32 |
| Millennials (1977 to 1995) | 92% | 73% | 19% | 4% | 2% | 2% | 4% | 2,434 |
| Generation X (1965 to 1976) | 93% | 76% | 16% | 3% | 1% | 3% | 4% | 564 |
| Baby Boomers (1946 to 1964) | 93% | 78% | 15% | 2% | 1% | 4% | 5% | 271 |
| Silent Generation (1945 or Before) | 94% | 88% | 6% | 0% | 0% | 6% | 6% | 17 |

**Table 28 – Current Customers/ Buyers Purchase Intent Benchmarks by Nightlife Events**

***Purchase Intent:*** *“How likely are you to purchase [BRAND] the next time you are shopping for [CATEGORY]?”*

| Only Current Customers | % Top Two Box | % Definitely Will | % Probably Will | % Neutral | % Probably Will Not | % Definitely Will Not | % Bottom Two Box | No. of Respondents |
|---|---|---|---|---|---|---|---|---|
| Nightlife Events | | | | | | | | |
| Off-Premise | 94% | 83% | 11% | 1% | 1% | 3% | 4% | 1,006 |
| On-Premise | 92% | 70% | 22% | 4% | 2% | 2% | 4% | 2,051 |

## LOST CUSTOMER WIN-BACK MARKETING STRATEGY – IMPACT BENCHMARKS FOR WIN-BACKS

A “Win-Back” consumer is a past customer. Someone who has purchased the brand before but not within the most recent purchase cycle. When any marketing effort is speaking with a consumer that fits this profile the marketing objective is to re-engage the consumer with the brand’s value proposition. Customer churn can be temporary or permanent. It can come from problem experience, apathy, a competitor’s marketing, or simply the result of the consumer exiting the category (e.g., they quit smoking, became a vegetarian, sold their car and don’t need insurance, etc.).

Win-back marketing strategies will vary by the churn drivers. However, observing how consumer segments vary in their post-marketing loyalty to a brand they “left” at some point in the past can inform strategy and be a source of post-campaign comparison.

**Table 29 – Win-Back Consumers Purchase Intent Benchmarks by Gender**

***Purchase Intent:*** *“How likely are you to purchase [BRAND] the next time you are shopping for [CATEGORY]?”*

| Only Win-Back Consumers | % Top Two Box | % Definitely Will | % Probably Will | % Neutral | % Probably Will Not | % Definitely Will Not | % Bottom Two Box | No. of Respondents |
|---|---|---|---|---|---|---|---|---|
| Female | 77% | 41% | 36% | 14% | 6% | 3% | 9% | 1,016 |
| Male | 77% | 43% | 34% | 15% | 5% | 3% | 8% | 1,562 |

**Table 30 – Win-Back Consumers Purchase Intent Benchmarks by Generation**

***Purchase Intent:*** *“How likely are you to purchase [BRAND] the next time you are shopping for [CATEGORY]?”*

| Only Win-Back Consumers | % Top Two Box | % Definitely Will | % Probably Will | % Neutral | % Probably Will Not | % Definitely Will Not | % Bottom Two Box | No. of Respondents |
|---|---|---|---|---|---|---|---|---|
| Generation Z (1996 or After) | 65% | 35% | 30% | 20% | 10% | 5% | 15% | 20 |
| Millennials (1977 to 1995) | 76% | 40% | 36% | 15% | 5% | 3% | 9% | 1,849 |
| Generation X (1965 to 1976) | 76% | 44% | 32% | 15% | 6% | 3% | 9% | 434 |
| Baby Boomers (1946 to 1964) | 81% | 49% | 32% | 10% | 5% | 3% | 8% | 259 |
| Silent Generation (1945 or Before) | 80% | 20% | 60% | 20% | 0% | 0% | 0% | 10 |

**Table 31 – Win-Back Consumer Purchase Intent Benchmarks by Nightlife Events**

***Purchase Intent:*** *“How likely are you to purchase [BRAND] the next time you are shopping for [CATEGORY]?”*

| Only Win-Back Consumers | % Top Two Box | % Definitely Will | % Probably Will | % Neutral | % Probably Will Not | % Definitely Will Not | % Bottom Two Box | No. of Respondents |
|---|---|---|---|---|---|---|---|---|
| Nightlife Events | | | | | | | | |
| Off-Premise | 77% | 46% | 31% | 13% | 6% | 3% | 9% | 535 |
| On-Premise | 76% | 41% | 36% | 15% | 5% | 3% | 9% | 1,813 |

## CONVERSION MARKETING STRATEGY – IMPACT BENCHMARKS FOR EARLY-STAGE PURCHASE CYCLE CONSUMERS

Newly Educated and Aware Non-Customer consumer profiles have little to no direct experience with a brand's product or service. They have either never heard of the brand before their marketing experience or have heard of it but never tried or purchased in the past. These early stage consumers will often represent most of a marketing campaign's reach and their variation in response will directly define the rate of conversion for the campaign.

When a consumer has had little past exposure to the brand, they need education-based marketing experiences to understand A) how the problem the product or service solves is a relevant problem to them, and B) that the brand is a legitimate solution to that problem. Good marketing will convert these consumers when the marketing can frame its unique selling proposition in the context of this relevant problem and then provide a compelling reason to believe that they are the best fix.

Different consumer demographic profiles will respond differently to this conversion effort.

**Table 32 – Newly Educated/ Aware Non-Customer Purchase Intent Benchmarks by Gender**

***Purchase Intent:*** *"How likely are you to purchase [BRAND] the next time you are shopping for [CATEGORY]?"*

| Only Newly Educated/ Aware Non-Customers | % Top Two Box | % Definitely Will | % Probably Will | % Neutral | % Probably Will Not | % Definitely Will Not | % Bottom Two Box | No. of Respondents |
|---|---|---|---|---|---|---|---|---|
| Female | 68% | 33% | 35% | 18% | 8% | 5% | 14% | 2,707 |
| Male | 70% | 33% | 37% | 19% | 7% | 5% | 12% | 2,821 |

**Table 33 – Newly Educated/ Aware Non-Customer Purchase Intent Benchmarks by Generation**

***Purchase Intent:*** *"How likely are you to purchase [BRAND] the next time you are shopping for [CATEGORY]?"*

| Only Newly Educated/ Aware Non-Customers | % Top Two Box | % Definitely Will | % Probably Will | % Neutral | % Probably Will Not | % Definitely Will Not | % Bottom Two Box | No. of Respondents |
|---|---|---|---|---|---|---|---|---|
| Generation Z (1996 or After) | 67% | 28% | 39% | 28% | 0% | 6% | 6% | 18 |
| Millennials (1977 to 1995) | 68% | 32% | 36% | 19% | 8% | 5% | 13% | 4,195 |
| Generation X (1965 to 1976) | 71% | 37% | 34% | 17% | 7% | 5% | 12% | 808 |
| Baby Boomers (1946 to 1964) | 68% | 33% | 36% | 17% | 8% | 7% | 15% | 424 |
| Silent Generation (1945 or Before) | 61% | 25% | 36% | 29% | 0% | 11% | 11% | 28 |

### Table 34 – Newly Educated/ Aware Non-Customer Purchase Intent Benchmarks by Nightlife Events

***Purchase Intent:*** *"How likely are you to purchase [BRAND] the next time you are shopping for [CATEGORY]?"*

| Only Newly Educated/ Aware Non-Customers | % Top Two Box | % Definitely Will | % Probably Will | % Neutral | % Probably Will Not | % Definitely Will Not | % Bottom Two Box | No. of Respondents |
|---|---|---|---|---|---|---|---|---|
| Nightlife Events | | | | | | | | |
| Off-Premise | 70% | 36% | 34% | 19% | 5% | 6% | 11% | 739 |
| On-Premise | 68% | 32% | 36% | 19% | 8% | 5% | 13% | 4,324 |

# EVENT MARKETING RETURN-ON-INVESTMENT

## WHAT IS ROI AND WHAT DRIVES IT?

Return-on-Investment or ROI is a financial measure: a simple comparison between the dollar value of what was gained versus what was spent. ROIs are not always positive, and a negative ROI is not always indicative of failure.

When consumers are in the beginning stages of the purchase process as outlined earlier in this report, it is not always reasonable to expect them to walk away from the activation with an intent to buy. Consumers who are in the “Need” stage of the purchasing process must first identify with the problem before they can move to the next stage. If the marketing doesn’t move the consumer through this stage successfully then they won’t buy, nor will they express an intent to buy. This will result in a low or potentially negative ROI. This lack of forward progress could be due to any number of factors which may or may not be “the fault” of the marketing itself.

### WHEN ROI IS THE WRONG METRIC FOR SUCCESS

If the marketing was designed to be education-based (and not short-term new customer acquisition), the ROI is going to be low. And this may be perfectly acceptable and still great marketing. Below are two examples of experiential campaigns where ROI is not (and should not) be used as the criteria for success.

> A **dog food brand** going on the road to educate consumers: the brand’s commitment to pet health through sourcing only all-natural ingredients may have been called into question in the aftermath of problems in the supply chain resulting in sick pets. Coming out of a public relations crisis, the experiential activation is designed to re-build the brand image.
>
> A new line extension for a **juice brand** focused on kids reformulated the product to remove 80% of the high-fructose corn syrup: the flagship brand has long been associated with a sugary treat, but this new product is providing a more reasonable option to moms who purchase for their kids with strong opinions on limiting sugar intake. The experiential campaign is designed to “win-over” moms and give them a reason to take a second look.

Neither of these campaigns are going to post strong sales estimates in the first year because there are purchase barriers to overcome. Too many members of the consumer target are “stuck” in early purchase cycle stages. But this doesn’t mean the campaigns didn’t do their job. It only means that ROI was not the most appropriate metric by which to judge success. (Maybe a control/ test advocacy measure would be a much better KPI.)

Another example is the low-priced, seasonal product. Take for example, a **low-priced brand that has a seasonal application** (e.g., small volume SKU cough drops, single serve candy cane SKU, etc.). These products may benefit greatly from experiential but won’t generate the short-term sales revenue to justify the spend. In most cases, the cost per experiential engagement will exceed the annual value per customer. If 100% of all engagements resulted in perfect acquisition and loyalty scores the campaign still wouldn’t break even.

### WHAT BAD EXPERIENTIAL MARKETING LOOKS LIKE

At the same time, an ROI can be negative due to poor planning or bad marketing execution. There are few things more important in marketing than “Message-to-Market Match” (when the marketing communication aligns with the values, beliefs, habits, and attitudes of the person who is being marketed to).

When the message-to-market match is out of alignment (e.g., teetotaler and adult beverages, sugar water to the health-aware Mom, candy canes out of season, etc.) a consumer simply won’t progress through the purchase cycle regardless of how well the brand communicates its value proposition.

The messaging that clearly communicates the value proposition will fall on deaf ears if spoken to the person who simply doesn’t care, no matter how loudly or consistently it’s communicated. When the message-to-market match is out of alignment consumers will view even the most expensive, amazing marketing as SPAM, junk mail, and “all that is bad about corporate sponsorship.”

But when the market (i.e., consumer target) is aligned with the message and that message is received loud and clear, the consumer will move through the purchase cycle, overcoming barriers at each stage, and give the product a try. And when that trial aligns with promises that the marketing made, they will see the value they expected and become a customer.

This is a beautiful thing. It’s what makes life more fun, more exciting, and more entertaining. Consumers will appreciate what the corporation has made available to them. They will see the lifestyle match between the brand’s values and their own. The consumer will feel as if they have found another member of their tribe and the brand will become a member of their inner circle, a part of the consumer’s precious attention real estate.

And when this happens in a way that is sufficiently efficient, with a budget that is well-crafted and carefully managed, the resulting revenue from these new customers will exceed the money spent and the campaign can proudly post a positive return-on-investment.

### SEGMENTING ROI IS THE ROADMAP TO BETTER MARKETING

A campaign’s ROI is only useful when it’s properly segmented by the components that the marketer can fully control. Key ROI segmentations typically include the market, activation strategy, SKU being promoted, and event or venue type. (And these segmentations get to the heart of how we’ve organized PortMA’s suite of syndicated reports.)

Different markets produce very different marketing results. Demographic profiles, historical brand presence, competition, and even the weather will vary by market, venue type, or event and all of these elements will have an impact on how often the marketing reached the right consumers. Furthermore, it will impact how well the marketing impressed on them the brand’s value proposition in a way that promoted future purchase.

A campaign that deploys different activation strategies is making decisions about cost-benefit trade-offs. An 18-wheel rig may engage hundreds with an immersive experience at a tour of state fairs, but at a larger fabrication and transportation expense (not to mention the venue fees). A smaller, nimbler SUV build-out that focuses on guerilla intercepts and local retail will see a much smaller throughput but will also pivot quicker at a much lower cost. These trade-offs are at the root of what drives ROI and segmenting by them is therefore the best way to separate the great from the not-so-great.

Different venues will always attract different types of people. Humans are, at our core, social animals who pick and navigate the world as a part of macro tribes. You will find a very different demographic profile at the local Ska music festival than you will at the local zoo. These differences will impact the type of people who will visit your activation footprint. Segmenting your ROI by event or venue type (which we do for you in our suite of reports) will help you identify this variation and allow you to do more of what is working well and less of what is not.

When you collect your data at all events and organize the analysis of that data and your related ROI modeling around these key segments (i.e., market, activation strategy, and event or venue type), you’ll not only have an ROI that reveals your overall program’s performance but you will also be able to identify those marketing scenarios which maximized the return for the brand.

## THE PORTMA ROI MODEL

PortMA’s Return-on-Investment Model and the model used in these ROI benchmarks takes all of the factors explored in the previous section into account. PortMA’s ROI Model deconstructs the trade-off of quality vs quantity to derive an estimate of revenue realized by the campaign. This revenue figure is then divided by costs to develop a percentage or ratio representation of return-on-investment. An ROI greater than 100% represents a positive return, while an ROI less than 100% indicates that spending was higher than the value generated.

The PortMA ROI Model estimate of realized revenue is derived from two sources: The Ad Value Equivalence (AVE) of the impressions generated and the incremental revenue realized from an estimate of new customers.

## THE DOLLAR VALUE OF EXPERIENTIAL MARKETING IMPRESSIONS

Ad Value Equivalence or AVE is a standard industry modeling practice used to calculate the value of marketing impressions. Using the same standards found in valuing real estate (to continue with our earlier example), the AVE approach states that the value of a marketing impression is the value of what it would have cost to purchase that impression from another channel.

Put simply, if you were to generate 1,000 impressions from an event, the value of those impressions is what it would have cost you to purchase 1,000 impressions.

What is that value? What is the standard cost-per-thousand (CPM) that one should use to determine the value of event marketing impressions? That depends on who the event is reaching and what the brand's traditional marketing channels have been. So, female consumers tend to be a little less expensive to target in traditional media than male consumers. Younger consumers tend to be a little more expensive than older consumers.

And channels vary greatly:

**Table 35 – Sample Impression Benchmark Values by Media Channel**

| Channel | Low | Medium | High |
|---|---|---|---|
| Television | $15.50 | $16.88 | $22.50 |
| Radio | $11.00 | $13.50 | $16.00 |
| Online | $ 5.00 | $ 6.70 | $ 9.00 |
| Out of Home | $ 2.50 | $ 4.33 | $15.50 |
| Print | $16.50 | $23.25 | $30.00 |

*Source: Online averages from multiple sources, PortMA research, 2014*

The AVE benchmark is not a definitive measure and should be customized for each application. What is important is that it is held as a conservative estimate of what the impressions generated from a dollar value perspective. All else being equal, PortMA starts with a $12 AVE (or values each impression at $0.012; 1.2 USD cents) and then modifies with input from the program team to derive an accurate estimate that borders on the "too low" or conservative side.

The bigger challenge for most experiential campaigns is not how to value the impressions but how to accurately count the impressions generated in the first place.

## HOW TO COUNT THE FIVE SOURCES OF EVENT MARKETING IMPRESSIONS

For the PortMA model, when it comes to counting, we group impressions into five categories: Event, Mobile, Word-of-Mouth, Organic Media, and Paid Media.

### Event Impressions

Event impressions are the impressions you generated with your onsite presence from consumers who were in the vicinity, walked the venue, or were otherwise exposed to your physical footprint. It almost always starts with an estimate of attendance and then is weighted (i.e., a percentage is applied) based on where you were in the context of overall foot traffic. We recommend counting 80% of attendance if you're at the best possible location with maximum exposure; 50% if you are in the mix along "vendor row," and 30% if you're "back by the bathrooms" or otherwise in a lesser spot.

PortMA completed a review of venue sponsorship options and looked at the proportionate difference between different sponsorship levels. We found that the most common billings were roughly half of top billing. And furthermore, lower tier sponsorship costs were 30% top billings. Using the logic that an otherwise free market will price itself based on the proportionate value, we translated these estimates into an estimate of exposure and derived the "attendance to impressions" percentage multipliers accordingly.

Maximum Exposure – 80%
If you were located at the best possible location with the strongest possible exposure, then it's appropriate to take credit for a high level of consumer impressions. Think Walmart's "Action Alley" or a placement where consumers practically need to walk through your footprint to get in. Why not 100% of attendance? Because there are always people who are looking at their phones, folks who are otherwise so numb to marketing that they can be standing in the middle of your footprint yet when asked what brands are present your brand will skip their mind.

Average Placement – 50%
Likewise, as you get into the "masses" at the venue, your exposure will drop. You'll still get a lot of traffic and consumers will be aware of your presence but not as many as if you had top billing. Under these circumstances it's best to count your impressions as half of attendance.

Lower Tier Placement – 30%
Be it due to budget, a last-second sponsorship decision, or just the sheer competitive nature of the event itself, there will always be activations where the footprint is in a less than ideal location. These are the spots that you were lucky to get, the last one available, "back by the bathrooms" as account managers often describe them. But hey, everyone must go to the bathroom, so these locations get impressions too. And considering the other exposure items you received through sponsorship assets such as website logo placement, onsite signage, and the like, it's still fair to take 30% credit.

**Mobile Impressions**

If you have a wrapped vehicle in market, then you should be taking credit for the mobile impressions you generate when that vehicle is traveling to and from the event location. These mobile or "drive" impressions are calculated based on the miles driven and have been historically estimated at 101 impressions per "all purpose vehicle mile" where "all purpose" is defined as a mix of country road and city driving. The 101 figure comes from a "Visual Impact of Trucks in Traffic Study" completed by the American Trucking Association, prepared by Richard A Staley, Department of Economics and sponsored by a grant from The 3M Company (Washington, DC, 1977).

**Word-of-Mouth Impressions**

The Word of Mouth Association (acquired by the Association of National Advertisers in 2018) might not have put the value of word-of-mouth marketing on the map but they certainly kept it there for the rest of us to benefit from. And the work of Keller Fay Group (i.e., Engagement Labs) provided the Event Marketing industry with the data we needed to include word-of-mouth in our impression calculations.

The fact of the matter is that consumers tell people about positive brand experiences. As event marketers, you're in the business of creating enormously positive brand experiences that engage all the senses and drive home the brand's value proposition. When this works well, you're also creating brand advocates and these advocates are going to spread positive word of mouth and generate additional impressions.

Word-of-mouth impressions are counted by first determining the percentage of the consumers you engage that will serve as advocates. We do this with a simple exit survey question around advocacy. You saw this recommend intent question above in the section about event impact measures. This same question is also used here. And when compared to the interaction count (the number of people who you engaged with one or more event activities) you can get an advocacy estimate. For example, if you engaged 1,000 people and 65% of them reported that they would recommend the brand to a friend or family member, you can estimate that your marketing generated 650 advocates (i.e., 1,000 * 65% = 650).

And once we know this number, we can apply a multiplier based on Keller Fay research to determine how many people these 650 advocates will talk to. In their white paper titled, “Single-Source WOM Measurement; Bringing Together Senders & Receivers: Inputs and Outputs,” Ed Keller and Brad Fay (2006) talk about the volume of word of mouth among consumers: “Over the course of a week, consumers participate in conversations in which specific brand names are mentioned 78 times. Brands, it is fair to say, are a major currency of conversation in America.” (2006, p3).

Their research resulted in the breaking out of word-of-mouth behavior by category resulting in the following multipliers:

**Table 36 – Word-of-Mouth Averages: People Told**

| Category | Brand Mentions |
|---|---|
| Food and Dining | 7.6 |
| Media & Entertainment | 7.5 |
| Beverages (Alcoholic and Non) | 7.2 |
| Travel Services | 6.7 |
| Shopping & Retail | 6.3 |
| Public Affairs | 6.0 |
| Automotive | 5.4 |
| Technology | 5.3 |
| Telecom | 4.9 |
| Finance | 4.6 |
| Health & Healthcare | 4.3 |
| Personal Care, Fashion, & Beauty | 3.1 |
| Lifestyle & Hobbies | 3.1 |
| The Home | 2.8 |
| Children | 2.2 |
| Household Products | 2.0 |

*Source: Keller & Fay (2006; p4)*

Using this research, we can multiply our brand advocates estimate by the brand mentions to get a word-of-mouth impression estimate. For example, if our 650 advocates in our example above were from the Automotive category (5.4 brand mentions) we could safely estimate that our 650 advocates generated 3,510 word-of-mouth impressions (i.e., 650 * 5.4 = 3,510).

**Organic Media Impressions**

Organic media is simple. It’s the impressions you pick up online and offline that you didn’t pay for directly. This often includes all the “more traditional” marketing such as print, radio, television, social, and digital. There are dozens of online and offline media monitoring services (a.k.a., clipping services) available and any one of them will give you an impression count that allows you to estimate organic brand mentions and related consumer exposure. Subtract your baseline measures (what you were counting before the marketing) and you can use the resulting figure to get an estimated organic media impression count for your event.

**Paid Media Impressions**

Paid media impressions are the same as organic from a channel perspective with the exception that these are the impressions you purchased outright. If you are including the cost of this media buy in your base cost estimate for the ROI calculation, then it's more than fair to include these impressions in your revenue estimate. Likewise, if you exclude these counts than you can exclude the related costs as well.

With solid estimates for these five impressions sources in place, you can add them up and apply an average AVE. This is the dollar value for the impressions you generated. Or, if you want to be fancy, you can apply a unique AVE value for each channel, but our recommendation is that you keep it simple at first. If you find yourself getting into elevated economic discussions with senior brass than you can pick apart the details and be more specific.

## INCREMENTAL REVENUE REALIZED FROM NEW CUSTOMERS

Impression counting, and their dollar value is only a part of the equation when calculating the overall revenue generated from your experiential marketing. In fact, you'll find that it is a very small percentage of the overall value for most campaigns.

In most cases, your value will come from the consumers you engaged directly. Keep in mind, 100% of the target market isn't buying the product; some of them are stuck in the purchase process. Your marketing "unstuck" a portion of them. Your task is to accurately measure how many of those customers heard and internalized the brand's value proposition. These consumers will leave the event experience having moved forward through the purchase cycle and some of them will end up buying the product or service who wouldn't have bought if it wasn't for your event experience. Your count of these new customers will allow you to calculate their associated revenue value.

This process starts with identifying current customers and removing them from the model. From there, you can look at where the non-customers are in the purchase cycle and their associated future intent. After applying a filter designed to remove consumers who say they'll buy but don't, you're left with a "new customer estimate" that can be used to calculate the overall dollar value by applying an annualized value per customer.

Let's take each of these steps in sequence:

**Current Customers versus Non-Customers**

Earlier in this report we recommended that you include a measure of a consumers' past purchase history with the brand as a part of your event survey. This is one of the reasons why. You want to remove those consumers who report that they have purchased the product or service within the most recent purchase cycle.

You'll always find that these consumers are more prevalent than you'd otherwise expect. You might think that if a product has a 35% market penetration (i.e., on average, 35% of the target population currently buy the brand) than 35% of your event patrons will be current customers. This isn't the case. You'll over index for current customers every time. It's the tribe mentality. Consumers will see your footprint, identify with the experiential presence as "their people" and come to learn more.

When you're talking to current customers, whether you intend it or not, your marketing is a loyalty program. It's only when you are engaging non-customers that you have an acquisition opportunity. And because your ROI needs to represent incremental income, you need to look only at those consumers who represent incremental buying behavior.

So, if we find that 50% of those who visited the footprint are current customers, we can conclude that 50% of those we engaged were not (the other half). And non-customers represent acquisition opportunities. If we engaged 400 people, 200 of them represent the opportunity for new revenue.

**Non-Customer Purchase Cycle Position**

Asking these non-customers about their behavior or intent is our best source of information about what these non-customers will do. If you're using an exit survey you can ask about their "future intent." If you're using a post-event survey (e.g., sent to event patrons 30 days after their event experience) you can ask about their actual behavior. Either way, you'll end up with a measure of how many of the non-customers you engaged bought or plan to buy.

When you're deriving a count based on purchase intent data you need to consider that people don't always do what they say they're going to do.

**Reported vs Actual Buying Behavior**

There is a lot of great debate on the accuracy of survey research. And nowhere has there been more research on research (that this author has seen) than by marketers on how well the question of future purchase intent predicts future buying behavior. We won't attempt to reiterate the body of literature on the topic here. We do however recommend the following publication as a great summary:

> "When do purchase intentions predict sales?" International Journal of Forecasting 23 (2007) p347 to 364; Vicki G. Morwitz, Joel H. Steckel, and Alok Gupta of New York University and Rosetta Marketing Strategies Group.

This work is a meta study where the authors review the body of literature and past studies focused on the link between consumer-reported purchase intent and actual future buying behavior. In summarizing the implications of their research, the authors write on page 361…

> "Overall, the results indicate that purchase intentions are predictive of future behavior, and that much of the variation in the intent–behavior relationship can be explained by the characteristics of the study. These results suggest that consumers will be better able to accurately predict their future purchasing when the purchase decision is relatively easy (e.g., the purchase will occur in a short time horizon, the consumer is familiar with and knowledgeable about the product, the product description (level) is explicit, and the trade-offs involved in purchasing this product versus another are made explicit). They also suggest that intentions will be more predictive of behavior when the consequences of purchasing are great, and consumers therefore deliberate considerably about the purchase decision (e.g., purchasing a high involvement durable good)."

Otherwise said, people are better at accurately predicting their future behavior related to automobiles than potato chips, for example. The level of commitment, purchase price, and long-term implications of a durable good like a new car requires much more consideration and thought than a $0.69 bag of potato chips. Therefore, predictions of behavior will be stronger when there's more at stake for the consumer.

PortMA's own research has shown that the rate by which customers do what they say they'll do seem to hover between 45% and 70%. We've conducted hundreds of studies where consumers are asked as they leave the footprint how likely they are to purchase the product they sampled, or otherwise experienced, in the future. And we've conducted follow-up studies three weeks, three months, event six months later to ask consumers if they actual purchased.

We see similar results to what has been cited in the academic research above. The more that's at stake, the more accurate consumers are in doing what they say they'll do. Overall, we tend to see an average around sixty percent. If 140 people leaving an event report that they'll buy the product in the future, this number drops to around 84 (60%) when we follow up post-event and ask if they bought the product.

For this reason, we use 60% as our estimated-to-actual purchase filter. You'll see how this filter applies in the ROI modeling below. However, we don't suggest you just settle with the 60%. You should conduct your own research post-event and/ or use a range of estimated-to-actual purchase filters when looking at how different ROI models impact your interpretation of the program. (We know one major manufacturer who uses 30% regularly!)

**Estimated Customer Value**

Using the approaches outlined above will result in a count of estimated new customers derived from the marketing being measured. You need now only apply a customer value (a dollar value) to get a total revenue figure that will represent your "incremental revenue realized from new customers."

There are a couple different theories around customer value and at PortMA we're fans of starting simple and then allowing the model to get more complex once the relevant stakeholders accept, understand, and start using the ROI model.

The simplest approach, and where we recommend you start, is simply by taking into consideration the number of buys in a typical year and the average revenue per purchase. For example, let's consider a standard CPG, and assume you're the brand manager for this amazing brand of laundry detergent. You know, as an expert in your category, that the typical consumer buys three bottles per year. And your special brand of detergent retails for $15.00. Three buys per year at $15.00 per buy gives you an annualized customer value of $45.00. Use this estimated customer value as a starting point (applying your own example of course).

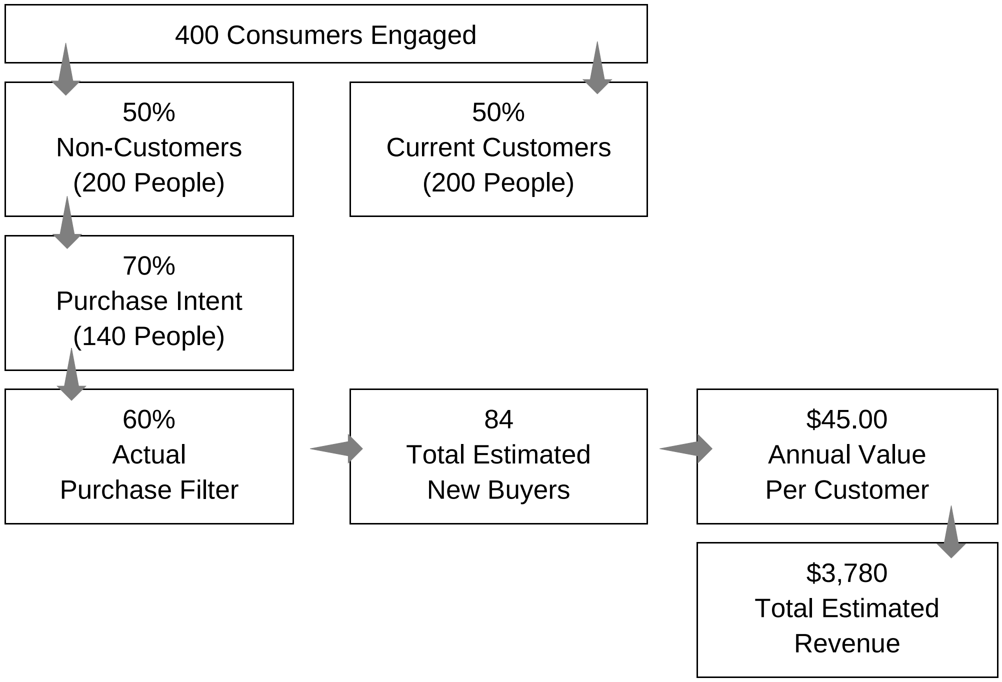
And yes, there are many "Yeah, Buts…" associated with this process. What about lifetime value? What about loyal vs disloyal customers? What about considering profit instead of revenue? These are all legitimate questions and there are great methods established to handle each. However, don't let the weeds keep you from getting started. As said before, allow the model to get complicated only after you've used the simple version to prove value and initiate better business decisions.

Finally, you might not be dealing with a nice, clean consumer packaged goods like laundry detergent. The commercial world is rarely that simple. But it is fair to argue that you can derive a customer value. Use what you know, guess smartly where you don't know, and get something started. Then turn to the experts when things start to get traction.

And with these components addressed, you're ready to complete your modeling of Experiential Return-on-Investment. You start by calculating the dollar value of the impressions from the five categories outlined above. Add up the impressions and multiple it by your CPM comparable. If you're CPM comparable is $12 then you divide that by 1,000 for $0.012 value per impression (because CPM is "cost per thousand"). So, if your program generated one-hundred thousand impressions, you'll estimate this at $1,200 in value (100,000 * $0.012 = $1,200).

With this value of impressions figured, turn your attention to the estimated revenue realized from new customers. If you engaged 400 consumers and determined that 50% of them were current customers, you can conclude that 200 of them represented the opportunity for new customer acquisition. And if your exit survey told you that 70% of these non-customers intended to by in the future you could conclude that 140 people left the event with an intent to buy who probably wouldn't have purchased otherwise. Apply a 60% filter to account for the fact that people don't always do what they say they're going to do and end up with an estimated 84 new customers. If you were selling laundry detergent at an annualized customer value of $45.00 each, then these new customers represent $3,780 in incremental revenue.

**Table 37 – Sample Experiential Revenue Model**




Your estimated revenue realized from new customers ($3,780) is added to the value of your impressions ($1,200) to derive a total revenue figure recognized by the experiential campaign. This total ($4,980) is then divided by the total, all in budget for the program to derive your ROI.

In our example here, if the program had a $1,500 budget, we can conclude that our ROI was 332% ($4,980 divided by $1,500 = 3.32).

## USING ROI MODELING TO DEVELOP CAMPAIGN STRATEGY

This logical sequence defines your campaign's return-on-investment after the fact when you are using your actual campaign figures. But you can do the same thing before you spend your first dime. Imagine the possibilities when you have the power in your hands to predict how your campaign will perform before you start. That's the power of Experiential Benchmarks.

### OVERVIEW OF THE EIGHT CORE ROI MODELING METRICS

There are a specific set of metrics that you'll need to model ROI manually. If you are a PortMA Enterprise Subscriber you'll want to use the Experiential ROI Modeling Spreadsheet tool that came with your license resources, but we'll go over the process here as well, so you know what goes into it.

Specifically, there are eight metrics you'll need. Our recommendation is that you grab a piece of paper and brainstorm what you'd like each of these metrics to be when developing an experiential campaign.

**Table 38 – Metrics Required for Experiential ROI Modeling**

| Metric | Source | Definition |
|---|---|---|
| Event Days by Size | Campaign Plan | This is the number of days you plan to activate grouped by the event attendance. You're going to use this metric to estimate your engagements per event, event types/ venues with larger average attendance will yield a greater number of |

| | | |
|---|---|---|
| | | engagement/ sampling opportunities. |
| Avg. Hours per Day | Campaign Plan | As much as possible you'll want to estimate the total hours of activation (across events, by event size) to increase the accuracy of your total engagement/ sampling counts. |
| Avg. Staff per Day | Campaign Plan | Two staff working for ten hours will typically yield similar results to ten staff working for two hours (assuming the venue has the attendance to support the volume). The number of people working at your event matters. Take this into account and work to calculate a total staffing hour count to make your engagement/ sampling estimates even more accurate. |
| Non-Customer Rate | Brand/ Secondary Research | In order to estimate the percent of new customers generated you must have a sense of what percent of the market represents "non-customers" or those who do not regularly buy the product. If you don't have a market penetration figure on hand, you'll want to estimate based on secondary research. |
| Purchase Intent | Benchmarks | This data is derived from the most appropriate benchmarks as identified above in this report. We recommend you use "Definitely Will" only for a conservative estimate and "Definitely/ Probably Will" combined for a liberal estimate. This approach will provide you with an ROI range from which to evaluate performance. |
| Purchase Filter | Industry Averages | As discussed earlier we recommend you start with 60% but you can use both more conservative and liberal estimates based on your industry segment. Unless based on your own primary research we don't recommend you use a figure lower than 30% or higher than 70%. |
| Avg. SKU Price | Brand Strategy | This is the typical sales price for the most common volume SKU. If the can of soup you're marketing sells for $1.79 at the local grocery store, we recommend using this figure as the average purchase price. |
| SKU Buys per Year | Brand Strategy | This figure represents the number of times a customer is expected to purchase the product over a 12-month period. If the brand's own research or your secondary industry research told you that the typical soup consumer buys six cans a year, then you'd use that figure (i.e., 6) as your "SKU Buys per Year." |

Regardless of whether you are doing so before the campaign is sold in, before it starts, or when it's over, these core metrics will give you what you need to estimate or model return-on-investment.

## ESTIMATING CONSUMER ENGAGEMENT COUNTS WITH BENCHMARKS FOR PREDICTIVE ROI MODELING

There are several ways to estimate the number of consumers you'll engage over the period of your campaign. This process starts with getting a count of your event days, taking into consideration the volume of consumers you can reasonably expect to be in attendance.

Good: If nothing else, we recommend using the average per event day figures in this report for your engagements and/ or sample count estimates. Simply group your activation day counts into different event size buckets as seen earlier in this report. Multiply the number of events with the benchmarked engagements per event to derive a total engagement estimate.

Better: You can take things a step further and estimate your counts based on the number of hours you plan to activate at each event category. The benchmarks above provide you with engagements per hour that can be used to develop an even more accurate picture of what is a fair estimate of total engagement counts when extrapolated across all like activations.

At this point, you should finish the process with a total number of anticipated engagements (and/ or consumers sampled) for your campaign. If you find your estimate does not align with what you would like the campaign to deliver then you'll need to adjust your campaign strategy to either extend the number of activation days, staffing hours per day, or go to larger events.

If you're in the middle of a campaign or recapping your campaign, this same process can be used to compare your performance to industry benchmarks. You can pat yourself on the back where your averages exceed the benchmarks here. And you have an opportunity to improve when looking closely at those areas where your average performance was lower than what the benchmarks suggested was possible.

## TRANSLATING CONSUMER ENGAGEMENTS INTO NEW CUSTOMERS USING BENCHMARKS

Once you have a strong point of reference for your number of engagements, you need to translate those engagements into a conservative estimate of new customers. This starts with understanding the ratio of customers to non-customers so you can get an accurate count of the acquisition potential your events represent. From there, you can then apply a purchase intent figure and a "purchase filter" qualifier to get an estimate of new customers generated by your campaign.

The process should to start by removing current customers from the model as there is no way to prove that these consumers would not have purchased the product or service being promoted otherwise. In fact, chances are that they probably would have. The calculation is simple. If a market has a known 15% penetration (maybe this is known by the brand team) then for every 100 consumers engaged, we can assume that 85 of them represent non-customers and thus opportunity for new customer acquisition (100*0.15 = 85). If you do not have a brand estimate than we recommend you use the industry benchmarks seen earlier in this report. However, keep in mind that this is a highly subjective figure and will be unique for each brand.

Once you've identified the number of engagements you can safely assume represent new customer acquisition opportunities (i.e., non-customer) you then need to estimate their willingness to purchase. We can consider this purchase to be incremental for the brand because we've pre-qualified these consumers to be non-customers. This is where you apply the consumer purchase intent benchmarks appropriate for your campaign comparison. The result is the number of consumers who left the event with an intent to buy who probably would not have purchased otherwise. You can use the top-box (i.e., "Definitely Will") benchmarks to be conservative or combine the top and second and use the top-two box measure (i.e., "Definitely" and "Probably Will") to be more liberal in your estimate. For example, if your purchase intent benchmark was 80%, we could estimate 68 likely new customers (85 non-customers * 80% purchase intent = 68).

But, as discussed earlier, not everyone will do what they say they will do. We know there is a drop-off among those who left the event saying they would buy. For our purposes here we'll assume a 40% drop-off (see earlier in this report for a more detailed discussion of actual versus reported behavior among consumers). This 40% drop-off leaves us with 60% or approximately 41 estimated new customers (68 * 60% = 40.8).

Using our interactions estimates and the benchmarks in this report we can estimate our new customer counts resulting from the marketing. If we are doing this work after the activations are complete then we have a solid benchmark to compare our performance. And if this is being done before activations have begun (or been sold) than we have a fantastic project planning tool which can be reviewed and discussed in collaboration with financial stakeholders to help design and justify a winning campaign.

## TRANSLATING NEW CUSTOMERS INTO REVENUE FOR THE BRAND

Our goal is a finance-based ROI. It is therefore necessary to convert these 41 estimated new customers into the revenue they represent. The purchase cycle multiplied by the average price per SKU provides an estimated annual customer value. From there, you can multiple the annual customer value by the number of projected new customers to derive a total revenue figure.

Purchase cycles will vary widely among markets and consumer segments. We might buy milk weekly, stock up on pasta for the pantry every two weeks and buy the paper towels on sale once a month. We consider a new car purchase every three years, our insurance and a new home purchase every seven years, and a funeral plot only once. The product or service you're promoting will have its own purchase cycle. If your own research doesn't have the exact number, you can estimate it for purposes of the ROI modeling here.

By multiplying the average cost per purchase by the number of purchases anticipated each year (as defined by the purchase cycle) we can calculate an estimated annual customer value. If the typical consumer buys toothpaste once a month, and the brand being promoted sells on average for $3.99, then we can estimate 12 buys per year or an annual customer value of $47.88 for the purposes of this model. Multiplying this annual customer value by the 41 new customers estimated above, we can conclude that the activation in our example here generated roughly $1,963 in value for the brand.

"Yeah, but…" "Yeah, but the customer may switch between brands in any given year." "Yeah, but what about year two or year three; what about lifetime value?" These are legitimate concerns and should be considered. There are modeling methods to integrate category and brand loyalty over time (it's never absolute). And there are sound economic models available to consider future years, treating customer valuation today as you might an annuity or considering the cost of capital when depreciating future years' revenue. As your experiential ROI modeling gets traction within your organization these are smart items to tackle. In the meantime, it is recommended you keep things simple and just use an annual customer value as we've described here.

Adding the total projected value from new customer to any value from impressions you were able to measure will give you the total dollar figure valuation for the campaign.

## USING AN ALL-IN PROGRAM BUDGET TO CALCULATE ROI

The calculation for ROI comes simply by dividing the sum of dollars estimated from impressions and new customers across all campaign event elements by the total program budget. Any resulting percentage greater than 100% is a positive return-on-investment. A 100% ROI directly is break event.

Measuring an ROI below 100% is technically negative but also represents the percent of total program budget that was covered by activations themselves. Remember, not all marketing campaigns are commissioned to deliver a positive return-on-investment. There are a lot of reasons to market a product. Sometimes sales is not a reasonable short-term luxury.

Make sure the budget you are using is "all-in" so far as the spend was captured in the model above. It does nobody a service when the agency excludes its fee. Nor do you want to include a media buy budget if you are not also including the impressions from that media buy. If you cannot otherwise get a measure of impressions from the media buy, you can leave those impressions out but exclude the expense as well. Both ends of the equation (the cost and the revenue) should be balanced by the campaign marketing assets and the outcome they produced.

## ROI MODELING SENSITIVITY ANALYSIS TECHNIQUES AND APPLICATION

All of what we've described here in the PortMA's ROI model can easily be developed in a spreadsheet. And you'll find that once you build this spreadsheet that it is perfectly legitimate to tweak certain variables to create a large number of "what if" scenarios. We refer to this scenario modeling as Sensitivity Analysis as you are looking to see how sensitive the resulting ROI is against your campaign's configuration, program performance, or the ROI model assumptions.

Configuration: Configuration metrics include those things that resulted in the total number of engagements and quality of engagement. These include Event Days by venue attendance groupings, Average Hours per Day, Average Staff per Day, and the resulting budget.

Performance: Performance metrics include the rate of non-customers and resulting purchase intent.

Assumptions: The assumptions metrics to test with a sensitivity analysis include your Purchase Filter, Average SKU Price, or SKU Buys per Year.

Playing with your configuration metrics in the ROI spreadsheet you create is fun. You can look to see what the impact would be if you added event days (and the associated budget). If you're seeing a negative ROI at first, use these sensitivity analysis techniques to see how large the program would need to be to break even. Do you have more event staff than you have consumers to engage? Can you cut staffing hours without losing engagement opportunities and thus reduce costs for a greater ROI? These are great questions to ask during the design process as they can give you data-based evidence on how a program might perform and help reinforce the strategy among stakeholders.

And segmenting by program configuration is the most powerful use of ROI. When you can see how program performance varied by venue type (festivals vs. retail), market (Texas vs. Ohio), or activation strategy (Food Truck vs. Retail Sampling) you can develop a strategic road map that is as powerful as any marketing planning tool available.

Performance metrics are just as important to test in a sensitivity analysis. The event set you designed may be more attractive to current customers than it is to non-customers. Do you want current customers on the footprint? Are you celebrating the lifestyle the brand represents or providing an inviting, educational atmosphere to outsiders who want to better understand if this lifestyle is for them too? And how much time are you spending with each consumer? Your footprint design and the associated run-of-show will drive both brand immersion and education, but it will also drive throughput. You've had to decide between how many people you want to reach vs how deeply you want to impress each consumer. This trade-off can be modeled in the sensitive analysis by looking at different event configurations to see how much you can afford to spend per visitor and still break even.

And this is also about building Key Performance Indicators (KPIs) that can and should be used to guide day-to-day performance targets, what should be reported in status updates, and thus, a roadmap to managing the activation team.

The model assumptions themselves are not (and should not) be set in stone. Your Purchase Filter may start at 60% but feel free to reduce it to see how many consumers would have to do what they said they'd do for the program to deliver a positive ROI. How conservative is too conservative? Go there and see if it changes the story of how you interpret the program's performance. And you can do the same at different rates of purchase per year and price per purchase to look at ROI as a range and get a complete picture of how the program or campaign delivered.

A good sensitive analysis is a planning tool, and a venue selection guide. It establishes real KPIs for ongoing management and is a recapping tool that provides real context. And when you layer in the PortMA Experiential ROI Benchmarks, it becomes a point of comparison and point of reference for establishing campaign goals.

## PORTMA'S RETURN-ON-INVESTMENT BENCHMARK CALCULATIONS

When you are calculating ROI for your campaigns either projected or in your recaps, you'll want to do so for all your event days as a sum and then repeat it for event types, markets, etc. in your sensitivity analysis.

PortMA's ROI benchmarks are the composite measures across hundreds of campaigns, thousands of event days, and hundreds of thousands of consumer interviews. The analysis must make use of median/ averages by event day to standardize for an industry or venue segment. You can then take these measures and extrapolate them to your full campaign as the model is linear in nature.

### ROI BENCHMARK MODEL STAGES AND HOW THEY WERE DERIVED/ ANALYZED

You'll find the following measures in the ROI benchmarking model in this report. Each can be understood as follows:

| | |
|---|---|
| Median Interactions per Event: | To derive this measure an average interactions per event day for each campaign was calculated. The resulting average interactions per event were rank-ordered and the median (middle) value is used as the Median Interactions per event. |
| % Newly Educated: | This is a category response to PortMA's benchmark measure of brand awareness. The frequency of answers to this measure are used for this metric. |
| % Aware/ Non-Customer: | (Same as above) |
| % Lost Customer: | (Same as above) |
| % Current Customer: | (Same as above) |
| % Purchase Intent (Range): | Purchase Intent is measured as a five-point Likert scale with a neutral middle. The frequency of the response for the top box ("Definitely Will") is used on one end of the range and the top two boxes ("Definitely" and "Probably Will") are combined to complete the range. In doing so, the model outcomes can be viewed as a range of conservative (top box only) to liberal estimate (top-two boxes). This percentage range is calculated for each level of awareness. |
| Estimated Customers (Range): | For each of the awareness segments, the Median Interactions per Event is multiplied by the awareness category percent and then multiplied again for each of the percentages in the Purchase Intent range for a range of Estimated Customers. |
| Total Estimated Customers (Range): | The three relevant awareness categories are added together for an overall Total Estimated Customers count. Note that Current Customers are excluded as the ROI model is focused on |

| | |
|---|---|
| | incremental revenue only. |
| Actual Purchase Filter: | The Actual Purchase Filter is estimated at 60% for purposes of this model. It is common for this measure to be reduced if relevant or appropriate for an application. |
| Total Estimated New Buyers (Range): | When multiplying the Total Estimated Customers range by the Actual Purchase Filter, a range for the Total Estimated New Buyers can be derived. |
| Median Annual Value per Customer: | The Annual Value per Customer for all the campaigns included in the benchmark are rank-ordered and the median (middle) value is used in the ROI benchmark. |
| Total Estimated Revenue (Range): | Multiplying the range of Total Estimated new Buyers by the Median Annual Value per Customer provides a range of Total Estimated Revenue. |
| Median Cost per Event: | The campaign budget is divided by the total number of event days for all the campaigns included in the analysis. The resulting average costs per event for each of the campaigns are rank-ordered and the median (middle) value is used for the ROI benchmark analysis. |
| Return-on-Investment (Range): | The Median Cost per Event day is divided by each of the revenue figures in the range of Total Estimated Revenue to derive a Return-on-Investment range. |

## ROI BENCHMARK BUDGET AND PRODUCT PRICE SENSITIVITY ANALYSIS

In addition to the overall ROI benchmark range, a series of sensitivity analyses are completed for the range of product price points and cost per event day ranges

The product price points and average cost per event day related to the campaigns in this report are rank ordered and broken into four quartile ranges. These quartiles are defined as a range using the following breaks:

- A: Lowest measure to the 25th percentile
- B: 25th percentile to the Median
- C: Median to the 75th percentile
- D: 75th percentile to the highest measure

Note that outliers were identified by calculating the interquartile range (i.e., 1.5xIQR) and removed from the analysis before the four quartile ranges for each metric were identified.

Once identified, all relevant data pertaining only to the events that meet these qualifications were used in the analysis. If a combination did not have enough data for analysis, that cell is marked with a "–." For example, if the sensitivity analysis range was $5 to $10 product price point range and $750 to $875 for cost per event day, only data from campaigns that had an average spend in this range focused on a product sold in this price point range are used in the sensitivity analysis.

As such, the "–" in the table are themselves a telling benchmark metric. Looking across campaigns, one can identify trends on what product levels tend to get what range of promotional budgets. This can be useful when evaluating your own budget.

## DERIVED VS DIRECT ROI BENCHMARKS

This report provides two types of ROI benchmark measures, Derived and Direct. Derived ROI benchmarks are calculated using a cross-section of data averages from multiple campaigns. Derived ROI benchmarks provide a pure point of reference free from the politics and whims that might have governed an individual campaign analysis plan.

That said, the Direct ROI Benchmarks are the benchmark ranges as finalized for individual campaigns and represent the final, agreed to ROI figure for hundreds of individual brand activations. While each campaign is different, with different brand team preferences and agency processes, a table of these ROI measures can be a useful point of reference as well.

You'll find that the Derived ROI benchmarks make use of campaign medians (e.g., median interactions per event, median annual value per customer, etc.). These figures are presented in the subsequent tables and the details of the model provided.

The calculations behind the Direct ROI benchmarks are not presented and instead just the ROIs for each category are shown. For each Direct ROI benchmark groupings, the outliers were removed (using 1.5xIQR) and five data points presented:

- Lowest: The lowest ROI recorded after outliers were removed
- Lower Quartile: The ROI at the 25$^{th}$ Percentile
- Median: The middle ROI measure
- Upper Quartile: The ROI at the 75% Percentile
- Highest: The highest ROI recorded after outliers were removed

**Table 39 – Derived Return-on-Investment (ROI) Benchmarks**

*Based on 577 Event Days and 13,055 Consumer Exit Interviews*

**Analyst Note:** These ROI Benchmarks Apply to Bourbon & Whiskey only. It would be inappropriate to apply these to other scenarios as different scenarios produce different results.

The overall ROI Benchmark for Bourbon & Whiskey activations trend toward a range between 293% and 584% depending on average cost per event across a campaign and annual value per customer.

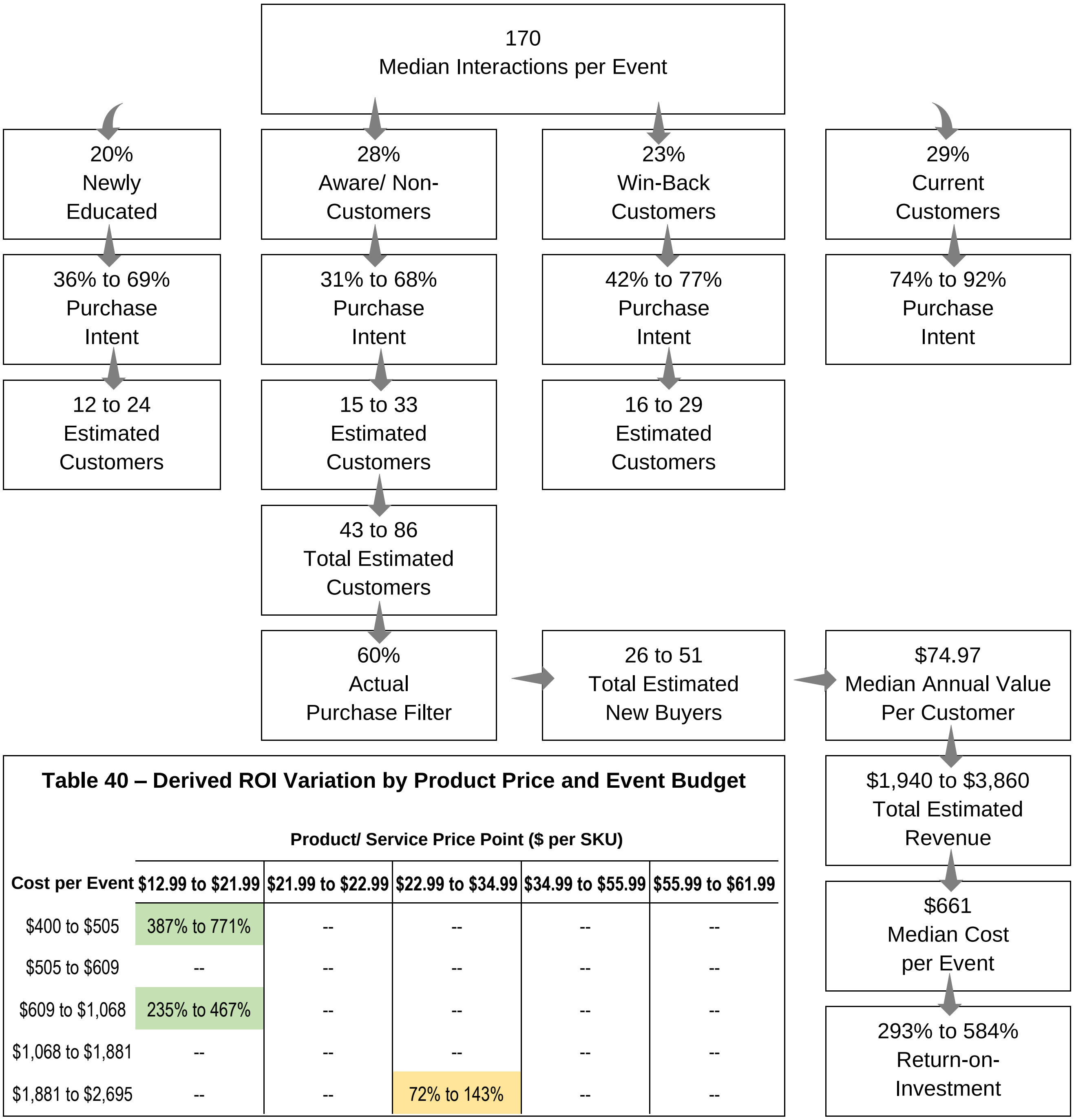



**Table 40 – Derived ROI Variation by Product Price and Event Budget**

| | Product/ Service Price Point ($ per SKU) | | | | |
|---|---|---|---|---|---|
| **Cost per Event** | **$12.99 to $21.99** | **$21.99 to $22.99** | **$22.99 to $34.99** | **$34.99 to $55.99** | **$55.99 to $61.99** |
| $400 to $505 | 387% to 771% | -- | -- | -- | -- |
| $505 to $609 | -- | -- | -- | -- | -- |
| $609 to $1,068 | 235% to 467% | -- | -- | -- | -- |
| $1,068 to $1,881 | -- | -- | -- | -- | -- |
| $1,881 to $2,695 | -- | -- | 72% to 143% | -- | -- |

**Table 41 – Direct ROI Benchmarks Overall**

| Range | ROI Reported |
|---|---|
| Lowest | 147% |
| Lower Quartile (25th Percentile) | 190% |
| Median | 233% |
| Upper Quartile (75th Percentile) | 293% |
| Highest | 353% |

**Table 42 – Direct ROI Benchmarks by Nightlife**

| Segmentation | Lowest | Lower Quartile | Median | Upper Quartile | Highest | No. of Event Days |
|---|---|---|---|---|---|---|
| Nightlife Events | | | | | | |
| Off-Premise | -- | -- | -- | -- | -- | 0 |
| On-Premise | -- | -- | -- | -- | -- | 0 |
| Off/ On-Premise Combined | 233% | 263% | 293% | 323% | 353% | 478 |

# APPENDIX

## APPENDIX A: FULL BENCHMARKING DATABASE PROFILE

The first edition of PortMA's full Experiential Campaign Benchmarking Database includes data from field staff recap reporting (i.e., Campaign Meta Data) for over 74,900 event days and 274,211 exit interviews. These data were collected from campaigns representing 55 different industry product or service categories, 14 venue types/ classifications, across 48 U.S. States plus Canada.

Demographic profiling metrics focus on age/ generation, gender, and the presence of children under the age of 18 in the household (i.e., Parental status).

**Table 43 – Full Database Overview: Generation Exit Interview Counts by Gender**

| | Female | Male |
|---|---|---|
| Generation Z (1996 or After) | 1,983 | 1,438 |
| Millennials (1977 to 1995) | 57,048 | 48,804 |
| Generation X (1965 to 1976) | 26,944 | 21,169 |
| Baby Boomers (1946 to 1964) | 24,884 | 18,627 |
| Silent Generation (1945 or Before) | 2,767 | 2,077 |
| **Total** | **113,626** | **92,115** |

*Source: Generation Definitions – Center for Generational Kinetics: http://genhq.com*

**Table 44 – Full Database Overview: Parental Status Exit Interview Counts by Gender**

| | Female | Male |
|---|---|---|
| Parents | 6,743 | 2,949 |
| Non-Parents | 4,278 | 2,372 |
| **Total** | **11,021** | **5,321** |

The Meta Database contains event day counts by industry category. The database of exit interviews is tagged with venue type. The two databases are linked by a primary key at the campaign level. In cases where a campaign had multiple venue types, only those cases where 90% or more of the exit interviews collected where from a single venue type are included in any benchmarking reports for the venue type in question.

**Table 45 – Full Database Overview: Industry and Venue Classification Counts**

| **Segmentation** | **Event Days** | **# of Respondents** |
|---|---|---|
| Nightlife Events | | |
| Off-Premise | 33,340 | 71,957 |
| On-Premise | 1,910 | 41,413 |
| Industry Categories | | |
| CPG – Food & Beverage | 64,192 | 165,584 |
| CPG – Household & Personal Care | 4,211 | 26,732 |
| Durable Goods | 736 | 24,168 |
| Financials & Health Services | 4,703 | 13,227 |

| | | |
|---|---|---|
| Lifestyles, Travel & Hobbies | 998 | 43,731 |
| Telco, Media & Entertainment | 150 | 416 |
| Destination Events | | |
| Athletic Event | 173 | 5,454 |
| Community Event | 171 | 6,849 |
| Concert | 12 | 3,349 |
| Convention/ Consumer Show | 21 | 9,555 |
| Fair/ Festival | 663 | 65,273 |
| Sporting Event | 60 | 5,465 |
| Trade Show (B2B) | | 757 |
| **All Destination Events** | **1,100** | **96,702** |
| Intercept Events | | |
| College/ University | -- | 1,174 |
| Commuter Station | -- | 177 |
| Office Park | 33 | 1,129 |
| Retail | 8,456 | 42,992 |
| Street Intercepts | 122 | 4,490 |
| **All Intercept Events** | **8,611** | **48,611** |

For regional variation, the database of exit interviews is tagged with the state where the interview was completed. The exit interviews are sub-grouped by region and represent the following counts:

**Table 46 – Full Database Overview: Consumer Interview Counts by Geographic Region and State**

| The West | Respondents |
|---|---|
| Mountain States | |
| Arizona | 7,610 |
| Colorado | 5,962 |
| Idaho | 172 |
| Montana | 0 |
| Nevada | 201 |
| New Mexico | 3,431 |
| Utah | 316 |
| Wyoming | 0 |
| **Sub-Total** | **17,692** |
| Pacific States | |
| Alaska | 14 |
| California | 26,223 |
| Hawaii | 0 |
| Oregon | 991 |
| Washington | 4,825 |
| **Sub-Total** | **32,053** |

| The South | Respondents |
|---|---|
| South Atlantic States | |
| Delaware | 1 |
| Florida | 13,794 |
| Georgia | 10,232 |
| Maryland | 2,528 |
| North Carolina | 10,268 |
| South Carolina | 3,820 |
| Virginia | 8,736 |
| West Virginia | 78 |
| **Sub-Total** | **49,457** |
| East South-Central States | |
| Alabama | 1,225 |
| Kentucky | 1,080 |
| Mississippi | 118 |
| Tennessee | 3,885 |
| **Sub-Total** | **6,308** |
| West South-Central States | |

| | |
|---|---|
| **Total Western Region** | **49,745** |

| The Midwest | Respondents |
|---|---|
| East North Central States | |
| Illinois | 9,149 |
| Indiana | 1,785 |
| Michigan | 6,178 |
| Ohio | 11,457 |
| Wisconsin | 2,294 |
| **Sub-Total** | **30,863** |
| West North Central States | |
| Iowa | 3,422 |
| Kansas | 2,256 |
| Minnesota | 6,688 |
| Missouri | 5,147 |
| Nebraska | 491 |
| North Dakota | 1 |
| South Dakota | 166 |
| **Sub-Total** | **18,171** |
| **Total Midwestern Region** | **49,034** |

| | |
|---|---|
| **Canada** | 729 |

| | |
|---|---|
| Arkansas | 534 |
| Louisiana | 2,167 |
| Oklahoma | 664 |
| Texas | 14,800 |
| **Sub-Total** | **18,165** |
| **Total Southern Region** | **73,930** |

| The Northeast | Respondents |
|---|---|
| New England States | |
| Connecticut | 3,596 |
| Maine | 26 |
| Massachusetts | 12,610 |
| New Hampshire | 20 |
| Rhode Island | 993 |
| Vermont | 120 |
| **Sub-Total** | **17,365** |
| Middle Atlantic States | |
| New Jersey | 4,971 |
| New York | 16,027 |
| Pennsylvania | 20,622 |
| Washington, DC | 3,558 |
| **Sub-Total** | **45,178** |
| **Total Northeastern Region** | **62,543** |

Learn more about the Experiential Marketing Benchmarks and
PortMA's custom measurement and reporting services at www.PortMA.com

# APPENDIX B: BENCHMARKING DEFINITIONS, METHODOLOGY AND ANALYSTS' NOTES

## EVENT TYPE DEFINITIONS

PortMA's Experiential Marketing Benchmarking Database is a database of consumer response to product marketing. As such, we focus on the end user of the product or service and not corporate or retail sales professionals who are selling them. PortMA defines the venue groupings as follows:

| Segmentation | Operational Definition |
|---|---|
| **Nightlife Event Types** | |
| Off-Premise | Any retail location where alcohol is sold for consumption at home. Can include large and small events that do not otherwise have an "account" designation. |
| On-Premise | Any account (i.e., bar, restaurant, etc.) where alcohol is sold for consumption onsite. |
| **Destination Event Types** | |
| Athletic Event | Non-professional sports including road races, marathons, and youth sports/ clubs. |
| Community Event | Local, family centric events and locations such as parks or town squares where a pre-organized festival or event is not otherwise active. Can include permanent locations such as zoos. |
| Concert | Any musical or arts performance. |
| Convention/ Consumer Show | A destination event designed to support a gathering of enthusiasts for one thing or another. Includes events such as ComicCon, E3, gaming, motorcycle rally, air show, balloon festival, etc. |
| Fair/ Festival | Some combination of music, food, carnival, and/ or artist collectives. Typically, an annual occurrence lasting a few days to several weeks. Can include amusement parks. |
| Sporting Event | College and professional sports including motor sports (e.g., APBA, NHRA, NASCAR, PBR, etc.). |
| Trade Show (B2B) | Business trade show. |
| **Intercept Event Types** | |
| College/ University | Any non-sport activation on a college campus or event specifically targeting a college community. |
| Commuter Station | Train/ rail station, airport, bus station, Park-n-Ride, or other commuter station/ hub. A commuter station is different than street intercepts in that commuter stations typically have a footprint. |
| Office Park | Business center, corporate headquarters, or business offices, business/ building square. |

| | |
|---|---|
| In-store/ Retail | Any parking lot or in-store activation including malls and farmers markets (excluding any alcohol beverage activations). |
| Street Intercepts | Opportunistic, non-permitted, guerilla activation without a defined activation footprint. |

## INDUSTRY SEGMENT DEFINITIONS

Unless otherwise specified, the industry segments in PortMA's venue benchmarking reports contain the following sub-categories that define the segment.

| Industry Segments | Operational Definition |
|---|---|
| CPG – Food & Beverage | Alcoholic Beverage including Beer (Brewed Beer and Flavored Malt Beverage), Cider (Hard Apple Cider), Spirits (Bourbon, Cognac, Flavored Whiskey, Liqueur, Ready-to-Serve, Rum, Rye Whiskey, Scotch, Schnapps, Tequila, Vodka, and Whiskey) and Wine (Bottled Wine).<br><br>Nonalcoholic Beverage including Coffee & Tea, Juice & Juice Drinks, Milk, Soft Drinks, and Water<br><br>Foods including Bread & Bakery; Canned Goods & Soups; Condiments, Spices & Baking; Dairy, Eggs & Cheese; Frozen Foods; Grains, Pasta & Sides; Meat & Seafood; Cookies, Snacks & Candy (Candy, Cookies, Edible Cookie Dough, Ice Cream, and Snacks) |
| CPG – Household & Personal Care | Cleaning Supplies including Laundry; Personal Care including Blades & Razors, Health & Beauty and Skin Care; Pet Food & Treats; Pharmacy (OTC); and Tobacco/ Cannabis |
| Durable Goods | Automotive including Auto Components (Tires & Rubber), Electronics including Light Bulbs and Television, and Household Appliances including Cooking. |
| Financials & Health Services | Finance including Investment Services and Insurance including both Health Insurance and Property & Casualty Insurance |
| Lifestyles, Travel & Hobbies | Gambling including the Lottery, Outdoor Adventures including Sporting Goods, Subscription Clubs including Mail Order, Travel & Tourism including Destinations & Accommodations. |
| Telco, Media & Entertainment | Media Broadcasting including TV Shows and Telecommunications including Cable/ Internet (Cable Television). |

## METRIC DEFINITIONS AND DATA CLEANING METHODS

In developing PortMA's benchmarking database, data from hundreds of campaigns (and Clients) were standardized so that they could be brought together as common variables. This data transformation process required a thorough level of data cleaning. The data cleaning procedures that were followed during this process are documented below.

**Kids in the Household (Parental Status)**
PortMA benchmarks kids in the household (i.e., Parental Status) in the context of the brand being promoted. Therefore, if a brand is targeting someone 14 or younger, the presence of a child in the household 15 years or older is irrelevant and therefore might as well not be present.

This must transcend how the data was measured. Example: if the marketing was promoting diapers and children in household was measured at all ages, only the parents of kids of a relevant age would be record in the benchmarking database as "parents" and all other as "non-parents."

The data is coded this way as the goal is to benchmark how parents responded to a product being marketed that was relevant for them as a household versus not.

**Year of Birth**
If year of birth is not in the database and it cannot be created (i.e., via age and date of survey complete) than year of birth is excluded. No attempt was made to recode categorical variables as continuous level variables.

**Price per SKU and Annual Customer Value**
When there are two or more SKUs being promoted in a single activation/ event day, the average of the two was used when figuring Price per SKU or Annual Customer Value. Any direct benchmarked ROI figures was the ROI of all the products being promoted.

In situations where the brand is selling an annual subscription service, the annual revenue is recoded as the Annual Customer Value, and the monthly payment amount and/ or Annual Customer Value divided by 12 is used as the Price per SKU.

When no retail price was provided by the agency or brand team, the most common price point on Amazon was selected. When the most common SKU represented a multi-pack; the total price divided by the number of items was listed as the Price per SKU. When a product could be purchased on a range of sizes or service levels, the lowest tier purchase price point was used.

When the product is sold as a service with a wide range of potential price points (e.g., insurance, etc.) the national average was identified via secondary sources or estimated at the monthly expense level and then multiplied by 12 for the Annual Customer Value.

When only an Annual Customer Value is provided for a product or suite of products (e.g., clothing, sporting equipment, etc.) the Annual Customer Value was divided by three to estimate the Price per SKU.

When working with a single serve consumption item and an Annual Customer Value was not otherwise provided, the average Price per SKU was assumed to have six buys per year when estimating the Annual Customer Value. When single SKU purchase is expected to last 30 days (roughly) then three months of buying was assumed when figuring the Annual Customer Value.

**Consumer Brand Awareness**
If one or more of the categories (by definition) was missing, data for available categories was used. If two or more represent the same category, those responses are collapsed into the category (by definition). Otherwise said, if the data could definitively be coded to one of the four categories used to define brand awareness (i.e., Newly Educated, Aware Non-Customer, Lost Customer, and Current Customer) then this was completed. Alternatively, responses were recoded to missing.

If there was more than one awareness question in the consumer exit survey and one question was about the master brand while the other was about the sub-brand or specific product being sampled, the data was coded to include brand awareness of the specific product being sampled.

If two or more brands are being marketed at the same event by the same team and there was a unique awareness question for each, data where awareness matched for all brands was kept and all else recoded as missing. If only one of the two or more brands has an answer, that answer was used as the measure of brand awareness.

**Product Sampling**
Wet sampling was defined as any sampling where the product was to be consumed onsite. Wet sampling could also include activations where the product was demonstrated with consumers directly onsite. Dry sampling was defined as a product sampling where the product was packaged and/ or designed to be used or consumed offsite.

**What Defines a Campaign?**
For the purposes of this database, a campaign was defined as no more than a single calendar or brand fiscal year, where a single brand was being promoted when it could be distinguished as such in both the meta and consumer exit survey data. Defined activation periods with a specific budget and activation/ venue strategy were designated as a single campaign when feasible.

PortMA does not report campaign counts in order to assure the confidentiality of the data source and specific brands involved.

**Standardizing Purchase and Recommend Intent Data**
PortMA's benchmarking database uses a 5-point Likert scale with a neutral middle. When alternative scales were used in the exit interview, the following re-coding procedures were applied:

- 7-point scale = Middle Three Measures recoded to "Neutral/ Unsure."
- 11-point scale = 1-2 Bottom, 3-4 Bottom Middle, 4-7 Neutral, 8-9 Top Middle, 10-11 Top.
- 3-point scale = Recoded as "Definitely Will," "Neutral," and "Definitely Will Not" so long as the scale was balanced.
- If only the end points are labeled on a 5pt scale; other items were labeled "Probably Would," "Neutral," and "Probably Would Not."
- If more than one brand, variant, or consumption type was being promoted and the survey was only at the brand variant level (and not at the master brand), an average of the coded Likert scales is calculated and then that average coded back to a single Likert measure.
- If the scale was not balanced with equal response options in both the positive and the negative then the full set of responses for that question was recoded to missing.
- If bottom box is labeled "No Purchase Intended" for the category or an advocacy equivalent, this response was recoded as "Definitely Will Not."
- If multiple questions are used to define future purchase/ recommend intent that are relevant for the respondent's customer status (i.e., expand usage among current customers or start usage among non-customers) then all were used by recording to the appropriate purchase and recommend intent variables.

**Exit Interview Date**
If no date was available and there was proof all activations happened within one calendar year, a date

value was created as the 1/1/YYYY where YYYY is the year the activations were known to be taking place.

## AVERAGES AND OUTLIERS

Much of the data in the tables of this report present averages segmented by causal or independent variables (e.g., wet vs dry sampling, beverage vs finance industry, on- vs off-premise, etc.). Anytime an average was calculated the following data cleaning and analysis guidelines were used:

- A record must have a minimum of 20 cases at each reported level of the independent variable before the resulting metrics would be reported. For example, if calculating average interactions per event for campaigns with less than 125 people in attendance (on average); the record must contain 20 or more events.

- Outliers were identified using the 1.5xIQR method and removed before the average was calculated. In some cases where the maximum value was still significantly greater (e.g., two or three times greater) than the second largest value, additional high-end values were treated as outliers based on analysts' discretion.

## NUMBER RANGES

At times, continuous variables such as event attendance are broken into logical groupings and used to segment outcomes such as samples per hour or cost per engagement. In these situations, the groupings were determined by identifying the quintiles and then defining rough groupings around those quintiles. For the most part, these groupings were defined as follows:

- Lowest: [BOTTOM 20% QUINTILE] or Less
- Low: [20% QUINTILE] to [40% QUINTILE]
- Average: [40% QUINTILE] to [60% QUINTILE]
- High: [60% QUINTILE] to [80% QUINTILE]
- Highest: [80% QUINTILE] or More

## APPENDIX C: FULL USER AGREEMENT (COPY OF SIGNED DOCUMENT)

**Portland Marketing Analytics, LLC**
400 Congress Street #15044
Portland, Maine 04112-5044
(800) 917-9983

### User Agreement

This User Agreement (the "**Agreement**") describes the terms and conditions pursuant to which Portland Marketing Analytics, LLC ("**PortMA**") will provide the entity on whose behalf you are accepting this Agreement ("**Client**") access to the specific information, concepts, know-how, techniques, methods, processes, business practices, applications, content, data, training videos, materials, resources, products and services (collectively, the "**Service**") provided by PortMA via email (including attachments to emails), telephone, and/or in-person discussions, and through our website at www.portma.com (the "**Website**") and for which Client has purchased a license. If Client does not agree to the terms and conditions of this Agreement, then Client is not authorized to access or use the Service.

This Agreement is a contract between Client and PortMA and applies to Client's and its Users' (defined below) access to and use of the Service, including the ability to view, listen to, search, download, and use the information, concepts, know-how, techniques, methods, processes, business practices, applications, content, data, videos, materials, resources, products and services included in the Service and for which Client has purchased a license. PortMA reserves the right to discontinue or terminate Client's access to or use of the Service for non-compliance with this Agreement. By accessing or using any portion or component of the Service, Client agrees to be bound by all of the terms and conditions of this Agreement.

1. **Registration and Account Creation.** As part of the registration and account creation process required to obtain access to the Service, Client will complete a User Registration Form, or PortMA will register Client manually. In either case, Client will provide PortMA with certain registration information, all of which must be accurate and complete. If Client's license includes online access to a resource library, datamining application, or other online components of the Service, Client will be solely responsible for maintaining the confidentiality of its online username and password and for all usage or activity on Client's online PortMA account. Usernames and passwords may not be shared with anyone other than Users, and Client is prohibited from allowing others outside of its organization to gain access to any component of the Service (including any online or offline component of the Service) and, except as otherwise provided in Section 6 of this Agreement, Client will not make use of the Service for the benefit of any person or entity outside of Client's organization. PortMA reserves the right, from time to time, to audit Client's use of the Service to confirm that Client is using it in accordance with this Agreement. Except as otherwise provided in Section 6 of this Agreement, Client's use of the Service for the benefit of others outside of Client's organization will result in (a) additional charges to Client, and (b) may also, at PortMA's option, result in immediate termination of Client's access to the Service (including all online and/or offline components of the Service). The foregoing shall be in addition to, and not in lieu of, all other remedies available to PortMA.

2. **License Purchase Levels.** Purchase of a license and subsequent access to the Service is available in three levels: (i) Single Report License; (ii) License of the Full Report Library available at the time of purchase; and (iii) Enterprise License. The most current license fees applicable to, and the content, data, videos, materials, resources, products and services included in, each license level, can be obtained by emailing PortMA directly at info@portma.com. Client will designate its license level during the registration process.

3. **Fees and Payment.**

3.1 *Fees.* Client shall pay PortMA the fees applicable to the Service license level purchased by Client, as set forth on the applicable invoice and/or online shopping cart made available at the time of purchase.

3.2 *Taxes.* All fees payable by Client under this Agreement are inclusive of taxes and similar assessments. Client is responsible for all sales, use, and excise taxes, and any other similar taxes, duties, and charges of any kind imposed by any federal, state, provincial, or local governmental or regulatory authority on any amounts payable by Client hereunder, other than any taxes imposed on PortMA's income.

3.3 *Payment.* Client shall pay all fees and applicable taxes in advance and prior to PortMA's delivery of any component of the Service to Client. Client shall make all payments hereunder in U.S. dollars. Client shall make payments to the address or account specified by PortMA in writing from time to time.

3.4 *No Deductions or Set Offs.* All amounts payable to PortMA under this Agreement (i) are non-refundable and non-cancellable and (ii) shall be paid by Client to PortMA in full without any setoff, recoupment, counterclaim, deduction, debit, or withholding for any reason.

3.5 *Client Credit Card.* If requested by PortMA, at any time while an Enterprise License is in effect, Client shall provide PortMA with a valid credit card acceptable to PortMA ("**Client Credit Card**"). In the event Client fails to pay any fees or other amounts when due hereunder and such failure continues for fifteen (15) days following written notice thereof, Client agrees that PortMA is authorized to charge the Client Credit Card for all past due amounts.

3.6 *Pricing Adjustments.* The fees applicable to the various Service license levels may be adjusted by PortMA from time to time, as available from PortMA or posted on the Pricing & Features Page or elsewhere on the Website.

4. **Term and Termination.**

4.1 *Initial Term.* The initial term of each Service license commences as of the date the Service is first accessible to Client and, unless terminated earlier pursuant to any of this Agreement's express provisions, will continue in effect for twelve (12) months from such date.

4.2 *Renewal Term.* All Service licenses will renew for additional successive twelve (12) month terms only upon Client providing written notice of renewal to PortMA and paying to PortMA the fees for the applicable renewal term.

4.3 *Termination.* In addition to any other express termination right set forth elsewhere in this Agreement:

(a) PortMA may terminate any Service license, effective on written notice to Client, if Client: (i) fails to pay any amount when due hereunder; or (ii) breaches any of its obligations under Section 5, Section 6 or Section 8; or

(b) either party may terminate any Service license, effective on written notice to the other party, if the other party breaches any material obligation in this Agreement, and such breach: (i) is incapable of cure; or (ii) being capable of cure, remains uncured thirty (30) days after the non-breaching party provides the breaching party with written notice of such breach.

4.4 *Effect of Termination.* Upon any expiration or termination of a Service license:

(a) all rights, licenses, and authorizations granted by PortMA to Client hereunder will immediately terminate; and

(b) Client shall immediately cease all use of the Service (including all information, concepts, know-how, techniques, methods, processes, business practices, applications, content, data, training videos, materials, resources, products and services contained in the Service) and (i) promptly destroy all documents and tangible materials containing, reflecting, incorporating, or based on any portion of the Service, (ii) permanently erase all Service content from all systems Client controls, and (iii) if requested by PortMA, certify to PortMA in a signed written instrument that it has complied with the requirements of this Section 4.4(b).

5. **License; Unauthorized Use.** Subject to the terms, conditions and restrictions of this Agreement, PortMA grants to Client and Client hereby accepts from PortMA a limited, non-exclusive and non-transferable license to access and use those portions of the Service included in Client's license purchase level and for which Client has paid PortMA the applicable fees. Such license entitles any Client employees authorized by Client ("**Users**") to access and use the Service during the license period paid for by Client. Client agrees that it is responsible for ensuring that any Users' access to and use of the Service is in accordance with the terms and conditions of this Agreement. The rights granted to Client herein are subject to all of the following agreements and restrictions: (i) Client shall not license, sell, rent, lease, transfer, assign, distribute, display, host, or outsource the Service or any portion thereof to or for any third party; (ii) except as otherwise provided in Section 6 of this Agreement, Client shall not disclose or make the Service or any portion thereof available to any third party; (iii) except as otherwise provided in Section 6 of this Agreement, Client shall not modify, alter or creative derivative works of any part of the Service; (iv) Client shall not access the Service or any portion thereof in order to build a similar or competitive product or service; (v) except as otherwise provided in Section 6 of this Agreement, no part of the Service may be copied, reproduced, distributed, republished, displayed, posted or transmitted in any form or by any means, including, but not limited to, electronic, mechanical, photocopying, recording or other means; (vi) Client shall not remove, alter, cover or obfuscate any copyright notice or other proprietary rights notice placed in or on, or displayed by, any portion of the Service; and (vii) Client agrees to make every reasonable effort to prevent unauthorized employees or third parties from accessing or using any portion of the Service. Client agrees to inform PortMA promptly upon Client's knowledge of any actual or potential unauthorized access to, or use of, any portion of the Service. Failure to comply with this Section 5 or use of the Service in any manner that is not expressly permitted in this Agreement will result in an immediate and automatic termination of Client's license rights and will make available to PortMA all other legal and equitable remedies, all of which are hereby expressly reserved by PortMA.

6. **Distribution of Certain Content.** Subject to Section 8 below, PortMA hereby authorizes Client to provide to its customers ("**Client Customers**") any benchmarking data or other tangible materials included in the Service (as provided by PortMA or as incorporated into separate Client materials) ("**PortMA Materials**"), provided that all such uses of PortMA Materials must contain the following attribution in a footnote: "Powered by PortMA".

7. **Modifications.** PortMA reserves the right to modify or discontinue the Service (or any part thereof) with notice to Client. PortMA shall not be liable to Client or any other party for any modification or discontinuance of the Service (or any part thereof). No refunds are available to Client in respect of any discontinued portion of the Service.

8. **Proprietary Rights.**

8.1 *Ownership of Service.* The Service (including all information, concepts, know-how, techniques, methods, processes, business practices, applications, content, data, videos, materials, resources, products and services included in the Service) and all intellectual property rights therein are the sole and exclusive property of PortMA, and Client has no rights in the foregoing except the limited license rights expressly granted by this Agreement. To the extent Client may gain any rights in the Service (or any component of the Service) other than the limited license rights expressly granted by this Agreement, Client hereby assigns such rights to PortMA and agrees to execute any further documents or take any action necessary or advisable to preserve and protect PortMA's exclusive ownership interest in the Service and each component thereof. It is an express condition of this Agreement that title to, ownership of, and all intellectual property rights in the Service (including each component thereof) shall remain with PortMA and shall not transfer to Client or any third party. Nothing in this Agreement, any User Registration Form or any other document shall constitute a sale of the Service (or any component thereof) or any copies of materials included in the Service.

8.2 *Trade Secrets.* Client acknowledges and agrees that the Service, and all portions thereof, derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure and use and has been, and continues to be, the subject of efforts that are reasonable under the circumstances to maintain its secrecy. Client further acknowledges and agrees that the Service, and all portions thereof, constitutes a “trade secret” of PortMA as such term is defined in the Maine Uniform Trade Secrets Act at 10 M.R.S.A. § 1541, and hereby agrees that Client shall maintain the Service, and all portions thereof, in the strictest of confidence and protect its confidentiality in the same manner Client would protect its own trade secrets. Without in any way limiting the foregoing, Client agrees that it: (a) will disclose the content of the Service only to Users that have signed a confidentiality agreement with Client that is adequate to fully protect the secrecy of the content of the Service; (b) will disclose PortMA Materials only to Client Customers that have signed a confidentiality agreement with Client that is adequate to fully protect the secrecy of the PortMA Materials; (c) will store or otherwise maintain the content of the Service (if provided to Client in tangible form) within a secure area that prevents unauthorized access to such content; and (d) except as provided in subsection (b) above, will not disclose any content of the Service to any third party without the prior written consent of PortMA in each case.

8.3 *Notification.* Client will promptly notify PortMA if Client learns, or has reasonable grounds to suspect, that the content of the Service (or any portion thereof) has been misappropriated or disclosed without authorization, or the secrecy of the content of the Service has otherwise been compromised. Client will be liable to PortMA for any non-compliance with this Section 8 by its Users or other personnel.

9. **Disclaimer of Warranty.** CLIENT UNDERSTANDS AND AGREES THAT CLIENT’S USE OF THE SERVICE (INCLUDING ALL CONTENT WITHIN THE SERVICE) AND ANY WEBSITE OR OTHER MEDIUM BY WHICH IT IS DELIVERED IS AT CLIENT’S SOLE RISK. THE SERVICE (INCLUDING ALL CONTENT WITHIN THE SERVICE) AND ANY WEBSITE OR OTHER MEDIUM BY WHICH IT IS DELIVERED ARE PROVIDED ON AN “AS IS,” “WHERE IS” AND “AS AVAILABLE” BASIS. TO THE FULLEST EXTENT PERMITTED BY LAW, PORTMA EXPRESSLY DISCLAIMS ALL WARRANTIES OF ANY KIND, WHETHER EXPRESS OR IMPLIED, WITH RESPECT TO THE SERVICE, THE CONTENT CONTAINED THEREIN, ANY WEBSITE OR OTHER MEDIUM BY WHICH IT IS DELIVERED, AND ANY OTHER MATTER UNDER OR IN CONNECTION WITH THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT. PORTMA MAKES NO WARRANTY OF ANY KIND THAT THE SERVICE, THE CONTENT CONTAINED THEREIN, ANY WEBSITE OR OTHER MEDIUM BY WHICH IT IS DELIVERED, OR RESULTS OF THE USE THEREOF, WILL MEET CLIENT’S REQUIREMENTS, OPERATE WITHOUT INTERRUPTION, ACHIEVE ANY INTENDED RESULT, BE COMPATIBLE OR WORK WITH ANY SOFTWARE, SYSTEM, OR OTHER SERVICES, OR BE SECURE, ACCURATE, COMPLETE, FREE OF HARMFUL CODE, OR ERROR FREE.

10. **Limitation of Liability.** CLIENT EXPRESSLY UNDERSTANDS AND AGREES THAT PORTMA’S (INCLUDING, WITHOUT LIMITATION, ITS OFFICERS, DIRECTORS, MANAGERS, EMPLOYEES, AGENTS AND REPRESENTATIVES AND ANY PARTY CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH PORTMA) CUMULATIVE LIABILITY FOR ANY LOSSES, DAMAGES OR OTHER LIABILITY SUFFERED BY CLIENT, WHETHER IN CONTRACT, IN TORT, UNDER ANY WARRANTY THEORY, OR OTHERWISE, SHALL BE LIMITED TO THE AMOUNTS ACTUALLY PAID TO PORTMA BY CLIENT UNDER THIS AGREEMENT IN THE SIX (6) MONTHS IMMEDIATELY PRECEDING THE EVENT THAT CAUSED SUCH LOSS, DAMAGE OR LIABILITY. IN NO EVENT SHALL PORTMA (INCLUDING, WITHOUT LIMITATION, ITS OFFICERS, DIRECTORS, MANAGERS, EMPLOYEES, AGENTS AND REPRESENTATIVES AND ANY PARTY CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH PORTMA) BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR SIMILAR DAMAGES, INCLUDING BUT NOT LIMITED TO, DAMAGES FOR LOSS OF PROFITS, GOODWILL, USE, DATA OR OTHER INTANGIBLE LOSSES HOWEVER CAUSED AND UNDER ANY THEORY OF LIABILITY (INCLUDING TORT CLAIMS OR LIABILITY FOR DAMAGES TO CLIENT’S COMPUTER HARDWARE OR DATA), ARISING OUT OF OR IN ANY MANNER CONNECTED WITH THIS AGREEMENT OR ITS SUBJECT MATTER, WHETHER OR

NOT PORTMA HAS BEEN ADVISED OF, OR OTHERWISE MIGHT HAVE ANTICIPATED, THE POSSIBILITY OF SUCH DAMAGES.

11. **Indemnification.** Client agrees to indemnify, defend and hold PortMA, its parent, subsidiaries, affiliates, officers, directors, managers, employees, and agents harmless from and against any and all claims, liabilities, losses, damages, costs and expenses (including reasonable attorney's fees and costs) arising out of, based on, or in connection with Client's or its Users' use of or inability to use the Service, or breach of this Agreement.

12. **Assignment; Binding Effect.** PortMA may assign this Agreement or any of its rights or interests hereunder, or delegate any of its obligations hereunder, to (i) an affiliate or subsidiary of PortMA; or (ii) PortMA's successor pursuant to a merger, reorganization, consolidation or sale. Except as otherwise provided above, neither party may assign this Agreement or any of its rights or interests hereunder, nor delegate any obligation to be performed hereunder, without the prior written consent of the other party. Any attempted assignment or delegation in contravention of this Section shall be null and void and of no force or effect. This Agreement shall be binding upon, and shall inure to benefit of, the legal successors and permitted assigns of the parties.

13. **Entire Agreement.** This Agreement constitutes the complete understanding of the parties with respect to the subject matter set forth herein, and supersedes all prior or contemporaneous agreements, discussions, negotiations, promises, proposals, representations, and understandings (whether written or oral) between the parties, with regard to such subject matter.

14. **Choice of Law and Jurisdiction; Equitable Relief.**

14.1 The substantive laws of the State of Maine, United States of America, shall govern this Agreement as though this Agreement was entered into, and was to be entirely performed within, the State of Maine. All claims or disputes arising out of or in connection with this Agreement shall be heard exclusively by any of the federal or state court(s) of competent jurisdiction located in Cumberland County, Maine. To that end, each party irrevocably consents to the exclusive jurisdiction of, and venue in, such court(s), and waives any, (i) objection such party may have to any proceedings brought in any such court, (ii) claim that the proceedings have been brought in an inconvenient forum, and (iii) right to object (with respect to such proceedings) that such court does not have jurisdiction over such party.

14.2 Client acknowledges and agrees that PortMA has the right to seek injunctive relief (including preliminary and temporary relief) to protect its proprietary rights or to prevent any unauthorized use of the Service, without the need to post a bond or prove actual damages.

15. **Modification.** The terms, conditions, covenants and other provisions of this Agreement may be modified, amended, supplemented or otherwise changed only by a written instrument that specifically purports to do so and is physically executed by a duly authorized representative of each party.

16. **Severability.** If a court of competent jurisdiction declares any provision of this Agreement to be invalid, unlawful or unenforceable as drafted, the parties intend that such provision be amended and construed in a manner designed to effectuate the purposes of the provision to the fullest extent permitted by law. If such provision cannot be so amended and construed, it shall be severed, and the remaining provisions shall remain unimpaired and in full force and effect to the fullest extent permitted by law.

17. **Waiver.** No course of dealing, failure by either party to require the strict performance of any obligation assumed by the other hereunder, or failure by either party to exercise any right or remedy to which it is entitled, shall constitute a waiver or cause a diminution of the obligations or rights provided under this Agreement. No provision of this Agreement shall be deemed to have been waived by any act or knowledge of either party, but only by a written instrument signed by a duly authorized representative of the party to be bound thereby. Waiver by either party of any default shall not constitute a waiver of any other or subsequent default.

18. **Independent Contractors.** It is expressly agreed that PortMA and Client are acting under this Agreement as independent contractors, and the relationship established under this Agreement shall not be construed as a partnership, joint venture or other form of joint enterprise; nor shall one party be considered an agent of the other. Neither party is authorized to make any representations or create any obligation or liability, expressed or implied, on behalf of the other party.

19. **Construction.** The headings of the paragraphs of this Agreement are for convenience only and shall not be a part of or affect the meaning or interpretation of this Agreement.

20. **Force Majeure.** Neither party shall be responsible or considered in breach of this Agreement for any failure or delay in the performance of any obligation of this Agreement to the extent such failure or delay is caused by acts of God, fires, explosions, labor disputes, accidents, civil disturbances, material shortages or other causes beyond its reasonable control, even if such delay or failure is foreseeable.

21. **Survival.** Any provision of this Agreement which by its nature would survive the termination or expiration of this Agreement shall do so, including, without limitation, Sections 8, 9, 10, 11 and 12.

22. **Authority.** Client represents and warrants to PortMA that the individual accepting this Agreement on Client's behalf is fully authorized to do so and, when so accepted, this Agreement will constitute a legal, valid and binding obligation of Client, enforceable against Client in accordance with its terms.