

2021 SUPPLEMENTARY BRIEFING NOTES

Return on Investment (ROI) and Social Return on Investment (SRIO)

Commercial ROI Entries

This note explains how commercial ROI entries will be assessed.

The calculation method below is mandatory for all entries in the ROI category and should inform ROI calculations in all categories.

ROI measures the incremental gross profit (not gross sales) as a result of the campaign divided by the campaign costs/investment expressed as either a multiple or percentage.

'Incremental' means comparing what happened, with what would be expected to happen had the campaign not taken place and/or that status quo maintained.

So, if the incremental gross profit is \$1,000 and campaign costs are \$1,000, they cancel each other out and the ROI is 1.0x or 0%. If the incremental gross profit is \$1,500 and campaign costs are \$1,000, the ROI is 1.5x or 50%.

The following calculation method is recommended for all entries where a quantifiable profit was a commercial objective. **It is compulsory for all entries to the ROI category.**

Gross Sales Increase	\$5,400,000
Gross Profit Margin	60%
Gross Profit Increase	\$3,240,000
Campaign Costs	\$1,250,000
Gross Profit minus Campaign Costs	\$1,990,000
ROI	1.59 times or 59%

If client profit margins are confidential, then you may apply a standard or indicative industry profit margin. Indexing of data is also acceptable.

Social Return on Investment (SRIO) Entries

There is a long history of excellent Effies entries in the social space. Grand Effie winners include “How Suffering Made People Quit” for the Australian National Prevention Health Agency, “Enjoy the Ride” for the Office of Road Safety Western Australia and “Speeding. No-one thinks big of you” for NSW Roads and Traffic Authority.

Government and Not-For-Profit organizations are becoming more sophisticated in assessing the overall return on programs and we would like to encourage special entries into the Government & Not-for-Profit categories.

Submissions may find it helpful to use the following guide:

- **Outcomes** – what were the results of the campaign?
- **Incremental Indicator** – what increase can reasonably be attributed to the campaign?
- **Financial Proxy** – what is a reasonable dollar figure you might attribute to the increment (consider long term impacts)
- **Attribution** – extent to which other factors might have contributed to the result
- **Deadweight (equivalent to baseline sales)** – probability of what would have happened without the campaign
- **Final Value** – to be used as SROI approximation

The judges understand that this is a new measurement for the Effies and will reward honest efforts that tell a credible story. It is likely that the Effies organizing committee will evaluate, learn and modify the SROI over time.

Note: The data for both ROI and SROI can be excluded from the published case upon request.