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**Measuring ROI or Is My Brand Working?**

**By Nancy Fraser**

**Measuring ROI or Is My Brand Working? by Nancy Fraser**

You are doing yourself a disservice in you measure the impact and effectiveness of marketing and branding only on the bottom line. There are far too many facets of the success equation to reduce the final assessment to that alone. Ultimately the bottom line will increase but if we expect immediate results and they don't happen to translate into money right away, it's easy to think things aren't working and give up too early in the process.

The value of reputation, relationships, brand awareness and consumer attitudes, related to your business, are impossible to measure based solely on financial returns.

A thorough evaluation of where your business is now, and the identification of the next most important goal, is a good place to start.

Other measures of ROI are:

- Ønumber of leads generated
- Øtotal sales revenue generated
- Øchange in awareness of your brand - buzz in the marketplace
- Øchange in market share
- Øchange in buying pattern re products, days etc.
- Øchange in intent to buy
- Øincrease in incremental sales revenue
- Øcustomer retention

The alignment of marketing and business strategy has resulted in recognition of the importance of marketing to overall business success. Funds are no longer being taken from marketing departments as a first remedy to a shortfall elsewhere . All of that has resulted in an increased expectation of accountability for results.

## Measuring ROI or Is My Brand Working?

Look for ways to track your progress keeping the end in mind. It is all about prioritizing, identifying and sorting the important factors that are crucial to your success, from the insignificant details.

It may feel more productive to be doing, but it is more constructive to be planning. The odds of achieving marketing success increase exponentially if you are aware of what has succeeded and failed in the past. Typically 80 to 90% of efforts are well spent on identification, planning and determining the success metrics, with the balance on execution and assessment.

The owner of a successful business or product is often reported as saying, "It seemed to develop a life of it's own and just take off." It could be a lucky break, but often it's the result of years of thought, experience and a comprehensive marketing plan in action.

### **How to Calculate ROI (Return on Investment)**

**By Stone Evans, The Home Biz Guy**

How to Calculate ROI (Return on Investment) by Stone Evans, The Home Biz Guy

ROI (Return on Investment) is probably the most important calculation one needs to make to ensure the long-term viability of their business. It is not enough to build in a profit margin on the product or service being offered. One must track with proficiency the amount of dollars being invested into attracting sales and how much ROI those dollars put back into the business. If the investment meets too little return, a product line is doomed to fail in the long-term.

### THE BASIC ROI PERCENTAGE CALCULATION

Many experts seem to agree, "calculating an accurate return on investment (ROI) is not an easy thing to do."

I do not intend to give you a thorough analysis of the ROI calculation process. Calculating an accurate ROI is hard to do, but explaining the full scope of ROI calculations in less than 1000 words is far more difficult.

As such, this article is only intended to introduce you to the basic concepts behind ROI calculations. Here is a very basic equation for calculating the ROI:

$$\text{ROI} = [(\text{Payback} - \text{Investment})/\text{Investment}]*100$$

Your payback is actually the total amount of money earned from your investment in your company. Investment relates to the

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amount of resources put into generating the given payback.

You should run ROI calculations on both monthly and yearly timelines.

### IMPROPER CALCULATIONS BY MANY SMALL BUSINESS OWNERS

The actual amount of investment into a business is often misunderstood by the business owner. As a result, true ROI calculations for most small businesses are skewed.

Most small business owners make their mistake in this most necessary calculation, because they do not properly value their own time. Please note that when I previously defined

"investment", I stated that it relates to the "amount of resources put into generating the payback."

Indeed, "resources" includes cash money. But, it also includes "human resources" or "time".

If most small business owners would value their hours at the minimum wage, and calculate their time into the investment equation, they would soon realize that their small business is running in the red!

Some small business owners will finally run ROI calculations including the human resources, and suddenly realize that they could make more money working a job. If the small business owner has been running their business for a really long time, struggling to make ends meet, they might see this calculation and close their doors once and for all.

### PLEASE DON'T LET ME DISCOURAGE YOU

I do not share this revelation with you so that you will close your business down. Quite to the contrary. I share this with you so that you can see the big picture and start running your business in a way that will actually generate a real profit for you and your business.

If you are within the first two years or five years of the start of your business, then running in the red should not be thought of as a bad thing. However, if you are ten years into your business and earning less than minimum wage from your business,

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there is a serious problem afoot that needs to be addressed immediately.

### STARTING OUT

When you are just beginning your own business, you have plenty of time on your hands. This is the reason why most small business owners do not properly count their time in the ROI equation. They just look at cash expenditures and incoming monies, and they are satisfied with that calculation.

It is often said that people generate the kind of results that they believe they can achieve or the kind that they want to achieve. Seeing the goal is the first step to achieving the goal. Expectations will always bring results equal to the expectation.

Having been down the business startup path before myself, I too understand the desire to calculate ROI without consideration to

the time invested in the enterprise.

However, I also understand the importance of placing a value on my time and working that into my final numbers.

In the beginning, I ran two types of ROI calculations: all resources exempting my time, AND all resources including my time.

Of course, I actually set a higher expectation for my own income level. First, I had decided on ten dollars an hour for my time. Later, I adjusted that amount upward.

Starting out, even though I ran two versions of my ROI calculations, I relied first on my resource excluding my own time. Once I had achieved this goal, then I refocused my attention to reaching the ROI which took into account my own time.

Now, that time has passed, I can go back and look at my yearly ROI and see that I have earned enough cash to pay for those early days of famine.

### THE SECRET OF TURNING ROI CALCULATIONS INTO SUCCESS

Every step in your business startup is a calculated guess as to

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what you believe you can achieve.

Measuring your results is essential to making your business profitable. ROI measurements are imperative to measuring and understanding the results you are achieving with your new or existing business.

Take into account all factors relating to the profitability of your business and don't smudge on the facts to make it seem more profitable than it really is. It is important to approach your business and your business results with absolute honesty. Be honest with yourself and face the facts of your task.

An honest examination of your business at regular intervals will help you get on and stay on track to keep the doors of your business open. You will thank yourself later.

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Evans Will Personally Build A  
Money Making Website Just For You That's 100% Ready To Take Orders And Pull In Massive  
Residual Profits. Get Details And Signup Today At:  
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