

Testing and Measuring success

By ActionCOACH

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The True Measure of Marketing Success used by ActionCOACH

Business coaches with ActionCOACH use the term testing and measuring frequently. This practice forms an essential part of our ongoing mentoring programs with clients. What are we talking about anyway? It's quite simple...read on.

Why is testing important? We don't realize it but we test everything in our daily lives. You always take a new car for a test drive before you sign on the dotted line. When you go shopping at the supermarket, clerks are standing in the aisles with samples for you to test before you buy. Waking up in the morning and checking the weather before selecting your clothing for the day is also a form of testing. See... we do it all the time... we just don't think about it.

Yet businesses persist in embarking on expensive marketing campaigns with little or no idea of the outcome. These same businesses will spend thousands of dollars on an ad campaign and hope they get a response. ActionCOACH firmly believes in testing a new ad campaign before the majority of the budget is committed. It may be a whale of an idea... but, face it...no one knows with certainty, the outcome of a daring new campaign. We at ActionCOACH suggest that our clients commit 10 – 15% of the new campaign budget and test for the outcomes.

This then leads to the balance of the phrase... testing and measuring. There is little point in going to the trouble of conducting a test in the first place unless one follows through with some type of analysis of the results. Imagine taking that new car out for a test drive and not paying any heed whatsoever to the quality of the ride, the noise levels and the engine performance. Not reasonable...is it? You would instantly compare this

new car to your old one or other new cars you were considering... wouldn't you? You would have your own form of measurement to compare the car with others. Your taste is a form of measurement when you try those samples in the supermarket. If you lost your ability to taste... why bother trying the sample at all? I believe you get my point!

Now, back to our business analogy... there is no point in testing the outcome of any type of marketing campaign with no measurement of the outcome. Careful measurement and analysis of the results of a test campaign will provide much needed information on which to base decisions. The results of the measurement will quantify the success of the test campaign. The results can then be extrapolated to test the soundness of the campaign. Example... a test mailing to 500 households yields 10 responses. Each response results in an average sale of \$150 with a margin of 40% that adds \$60 to the company's profits which is \$600 overall (\$60 x 10 responses). Let us assume the overall cost of the mailing is \$1 each or \$500 in all. The company then made a net profit of \$100 (\$600 profit less costs of \$500). This campaign appears to be a winner!

For further discussion on the above strategy or coaching services, you may call Jodie Shaw at (702) 795-3188. For more information on please visit www.actioncoach.com or call 1-888-483-2828.

ActionCOACH is the largest business coaching company in the world as well as the #1 business consulting service franchise as ranked by the US-based Entrepreneur Magazine. The company was established in 1993 in Australia by a young visionary named Brad Sugars. Brad recognized early on that most owners of small

and medium-sized businesses were unaware of how to effectively grow their businesses and achieve their goals. He developed a comprehensive system and methodologies to assist these entrepreneurs achieve their goals and realize their dreams with dramatic results. The company began franchising in 1997, and has hundreds of franchisees (ActionCoach Business Coaches), working in countries around the globe.

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