Social Marketing and Social Return On Investment (SROI)

Social Marketing Overview

Benefits

Social Marketing (SM) has been identified as an approach to improve the effectiveness of interventions that aim to change behaviour. The published review from the National Social Marketing Centre assesses evidence of effectiveness and makes recommendations for national and local implementation.

Social Marketing Overview

SM is ***'the systematic application of marketing concepts and techniques to achieve specific behavioural goals, for a social or public good'***. The behavioural goal could be making healthier lifestyle choices, such as eating a balanced diet and increasing levels of physical activity, getting “seldom heard” groups presenting to services. The key elements of SM are:

- Ensuring all interventions are insight driven and focus on the needs of the individual - as a patient or member of the public;
- Wanting to change what people actually do, not just what they know;
- Developing a genuine understanding why people behave in a particular way avoiding professional assumptions about what they want, need or think.
- Understanding and maximising the exchange i.e. maximising what you 'offer', and minimising the 'cost' to the intended audience of changing a behaviour;
- Understanding the competition - all the factors that compete for people's ability to adopt a desired behaviour;
- Segmentation - detailed characterisation of the intended audience, through tools e.g. Mosaic;
- Intervention marketing mix - recognising that a range of interventions may be most effective (this is not just about media/communications campaigns);
- Pre-testing the interventions to ensure we are getting it right;
- Evaluation and measuring impact of behaviour change.

Overview Social Return on Investment

Social Return on Investment (SROI) is an innovative way to measure and account for the value you create with your work. As well as helping organisations account for their achievements and attract funding, SROI can also help organisations maximise their social impact and improve the lives of the people they work with.

SROI is a framework for understanding, measuring and managing the outcomes of an organisation’s activities. SROI can encompass all types of outcomes – social, economic and environmental – but it is based on involving stakeholders in determining which outcomes are relevant.

There are two types of SROI. Evaluative SROIs are conducted retrospectively and are based on outcomes that have already taken place. Forecast SROIs predict how much social value will be created if the activities meet their intended outcomes. Forecast SROIs are useful at the planning stage of a project, or if you have not been collecting the right kinds of outcomes data to enable you to undertake an evaluative SROI.

SROI was developed from social accounting and cost benefit analysis, and has a lot in common with other outcomes approaches. However, SROI is distinct from other approaches in that it places a monetary value on outcomes, so that they can be added up and compared with the investment made. This results in a ratio of total benefits (a sum of all the outcomes) to total investments. For example, an organisation might have a ratio of £4 of social value created for every £1 spent on its activities.

Case example – Fab Pad1

Fab Pad is a project run by the organisation Impact Arts. Fab Pad supports young homeless people to sustain new tenancies. The SROI evaluation carried out on Fab Pad revealed that for every £1 invested by the government in support, £8.38 of social return was derived in reduced health care costs, reduced welfare benefits expenditure and reduced costs of repeat homelessness.

As a result of their SROI, Fab Pad have gained follow-on funding support for the programme, developed a higher profile with their main partners and funders.

Benefits to SROI

SROI can help you improve services in a range of ways. It can help you:

- understand the social, environmental and economic value created by your work;
- maximise the positive change you create and identify and manage any negative outcomes arising from your work;
- reconsider which organisations or people you should be working with, or improve the way you engage with your stakeholders;
- find ways to collect more useful, better quality information

The principles of SROI

There are seven principles of SROI that underpin how it should be used:

1. Involve stakeholders. Stakeholders should inform what gets measured and how this is measured and valued.
2. Understand what changes. Articulate how change is created and evaluate this through evidence gathered, recognising positive and negative changes as well as those that are intended and unintended.
3. Value the things that matter. Use financial proxies in order that the value of the outcomes can be recognised.
4. Only include what is material. Determine what information and evidence must be included in the accounts to give a true and fair picture, such that stakeholders can draw reasonable conclusions about impact.
5. Do not over claim. Organisations should only claim the value that they are responsible for creating.
6. Be transparent. Demonstrate the basis on which the analysis may be considered accurate and honest and show that it will be reported to and discussed with stakeholders.
7. Verify the result. Ensure appropriate independent verification of the account.

Carrying out an SROI analysis involves six stages:

1. Establishing scope and identifying key stakeholders. It is important to have clear boundaries about what your SROI analysis will cover, who will be involved in the process and how. Often service users, funders and other agencies working with the client group are included in an SROI.
2. Mapping outcomes. Through engaging with your stakeholders, you will develop an impact map (also called a theory of change or logic model) which shows the relationship between inputs, outputs and outcomes.
3. Evidencing outcomes and giving them a value. This stage involves finding data to show whether outcomes have happened and then giving them a monetary value.
4. Establishing impact. Those aspects of change that would have happened anyway or are a result of other factors are taken out of the analysis.
5. Calculating the SROI. This stage involves adding up all the benefits, subtracting any negatives and comparing the result with the investment. This is also where the sensitivity of the results can be tested.
6. Reporting, using and embedding. This vital last step involves verification of the report, sharing findings with stakeholders and responding to them, and embedding good outcomes processes.

SROI and commissioning

Commissioners can use the principles of SROI to:

- improve services and their outcomes;
- unlock potential in their supply base and stimulate the marketing place;
- reconfigure services or change commissioning practice to become consumer centric to better meet people’s needs;
- save money.

The use of SROI is clearly supportive of commissioning, for example:

- Acting as a framework for engagement of stakeholders including patients, providers and other public-sector staff;
- Focusing on outcomes in commissioning - allowing provider innovation;
- Offering a means to value outcomes for the more marginalised in the system – addressing health inequalities.

Conclusion

There is a very strong case for the use of SROI within a social marketing context. There is a natural synergy to enhance the development and measure the impact of social marketing interventions to create a value ratio. If the social marketing agenda is to become core business and sustainable within a commissioning environment through government transitions it is critical SROI is given investment within organisations to establish its valuable contribution.

As the public-sector environment gives increasing focus on demonstrating quality, improvement, effectiveness and efficiencies, these approach’s and techniques will give gravitas to the health benefits and give real tangible efficiencies’ and demonstrate case for further investment.

It is recommended that as part of the capacity and capability building within any commissioning organisation that is commissioning social marketing activity it is necessary to establish SROI learning and understanding to utilise the above framework and embed the principles and concepts across all organisation levels.

Annex

HOW IS ROI CALCULATED?
Most ROIs can be determined with five simple (but not necessarily easy) steps:

1. Amount Spent:
   Determine total costs of the campaign/program. Ideally this should include staff time as well as direct expenses associated with research, development, implementation and evaluation.

2. Behaviours Influenced
   There should be a clear behaviour objective. Reliable evaluation research will need to determine the number of people who were influenced to adopt the targeted behaviour as a result of the intervention.

3. Cost Per Behaviours Influence:
   This is the simple step, completed by dividing the amount spent by the numbers of changed behaviours.

4. Benefit Per Behaviours:
   What is the economic value of this changed behaviour? This can be the most challenging step. It is most often stated in terms of costs avoided as a result of the behaviour adoption (e.g., healthcare costs, emergency response to injuries, landfills developed, and environmental clean-up efforts). In some cases, it may be revenue generated by behaviour adoption (e.g., from home energy audits conducted by a utility).

   5. ROI: This takes three calculations.
   Number of behaviours influenced times economic benefit per behaviour equals the**: Gross Economic Benefit** (steps 2 x 4 = Gross Economic Benefit)

   Gross Economic Benefit minus the amount spent (step 1) equals **Net Benefit**

   Net Benefit divided by the investment costs (step 1) x 100 equals **Rate of Return** on the Investment

To illustrate

Please note, the actual figures used to illustrate this calculation are hypothetical.

1. £ Spent: Assume a 3-year tobacco campaign costs were £3 million, including staffing the quit line.

2. Behaviours Influenced: Assume 30,000 tobacco users called the quit line in three years, and there were 3900 (13%) callers who had quit for three years.

3. Cost Per Behaviours Influence: £3,000,000 ÷ 3900 = £770 to influence one tobacco user to quit for at least three years.
   (Note: Costs were assigned only to those who had quit for three years.)

4. Benefit per Behaviours: Assume public healthcare costs alone are £1800 per smoker per year.

5. ROI:
   3900 quitters x £1800 savings per quitter x 3 years equals £21,060,000 **Gross Economic Benefit**

£21,060,000minus the £3,000,000 investment = £18,060,000 Net Economic Benefit

£18,060,000 divided by £3,000,000 = 600% Return on the Investment.

For every smoker that quit, we saved taxpayers £1800
per year.

For the 3900 smokers who quit after calling for help, we saved £18,060,000 in three years.

For every £ we spent, we saved taxpayers £6, a 600% return on investment.

Figure 1: A Modified Logic Model

INPUTS	OUTPUTS	OUTCOMES	IMPACT	RETURN ON INVESTMENT
Resources allocated to the campaign or program effort: • Dollars • Incremental staff time • Existing materials • Existing distribution channels • Existing partners	*Program activities conducted to influence a desired behavior. These measures do not indicate whether the audience "noticed" or responded to these activities. They only represent what was "put out there" including:* • Number of materials disseminated • Number of calls made • Numbers and types of distribution channels for any products or services • Number of events held • Web sites created/utilized • Social media tactics • Reach and frequency of communications • Free media coverage • Paid media impressions • Implementation of program elements (e.g., whether on time, on budget)	*Audience response to outputs including:* • Changes in behavior • Changes in numbers of related products or services "sold" (e.g., children's lifevests) • Changes in behavior intent • Changes in knowledge • Changes in beliefs • Responses to campaign elements (e.g., hits to a Web site) • Campaign awareness • Customer satisfaction levels • Policy changes • Partnerships and contributions created	*Indicators that show levels of impact on the social issue that was the focus for the effort:* • Improvements in health • Lives saved • Injuries prevented • Water quality improved • Water supply increased • Air quality improved • Landfill reduced • Wildlife and habitats protected • Animal cruelty reduced • Crimes prevented • Increases in financial well being	*Economic value of changes in behavior and the calculated rate of return on the spending associated with the effort:* • For every dollar spent, dollars saved or generated • After subtracting expenses, what is the rate of return on the investment