An evaluation of the SROI process in social marketing.

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Author Biography.
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Abstract.

It has been identified that social marketing has no clear consensus on how outcomes should be evaluated. This has led to a call for social marketers to provide more data on their campaign's effectiveness. One option is the adoption of the social return on investment (SROI) framework, it provides a ratio indicating the level of return to every single value of currency used. A single case study focusing on People Matters (Leeds) Community Interest Company, a small social enterprise based in the north of England. The overall approach was qualitative, encompassing semi-structured interviewing, action research and surveys, which were then reviewed using thematic analysis. The study established that the social return on investment for the campaign in question was valued between 2.36:1 and 3.88:1 (i.e., for every £ invested, a value of between £2.36 and £3.88 was delivered in social worth). This evaluation was used as evidence of the programme's effectiveness in a continuing funding bid and People Matters were awarded just under £500K from the UK's Big Lottery Fund. The study contributes to the knowledge and practice of social marketing by presenting a possible solution to the domain's concerns on how social marketing can be evaluated.

Introduction.

There is an element of social marketing (SM) who believe that there is “no clear consensus on how outcomes should be evaluated” (Lister, *et al.*, 2008, p.59). This issue is compounded because funders of social interventions are now looking to understand the campaign’s worth before agreeing to support any on-going development (De Silva *et al*., 2014). As such, this paper will demonstrate how a SM campaign can be economically assessed. A single case study was used, focusing on People Matters (Leeds) Community Interest Company, which is an organisation supporting individuals with learning difficulties in the north of England. The Social Return on Investment (SROI) framework was the primary tool of analysis, which is grounded in the theory of change (see De Silva et al., 2014). People Matters instigated the study because they required the evaluation to support their bid for continued funding.

Background to People Matters and social return on investment.

People Matters is an organisation that applies SM principles to influence positive behaviour changes in individuals living with learning difficulties. They develop inclusive communities by bringing together people to enjoy leisure, learning and employment They have a number of programmes in place, but the focus of this case study was only on their Teens-n-Twenties project (People Matters, 2016). It supports young people between the ages of 14 to 25 and is designed to prepare them to become more independent. Social return on investment (SROI) can be defined as a framework for evaluating the concept of value, “it seeks to reduce inequality and environmental degradation and improve wellbeing by incorporating social, environmental and economic costs and benefits” (Nicholls, *et al.*, 2012, p.8). Nicholls *et al.* (2012) go on to say that the concept of value goes beyond a financial number, it should be considered as an entity which we create or destroy through our actions. Such a premise makes it ideal for SM as it can potentially provide the foundations to French and Russell-Bennett’s (2015) first criteria in their hierarchical model of SM (i.e., the principle element of SM, which is the creation of value).

Methodology

This study adopted Nicholls *et al.*’s (2012) SROI framework (see figure 1) as its primary methodological approach. Embedded within it was a qualitative process utilising semi-structured interviewing, action research and surveys, which were analysed using thematic analysis.

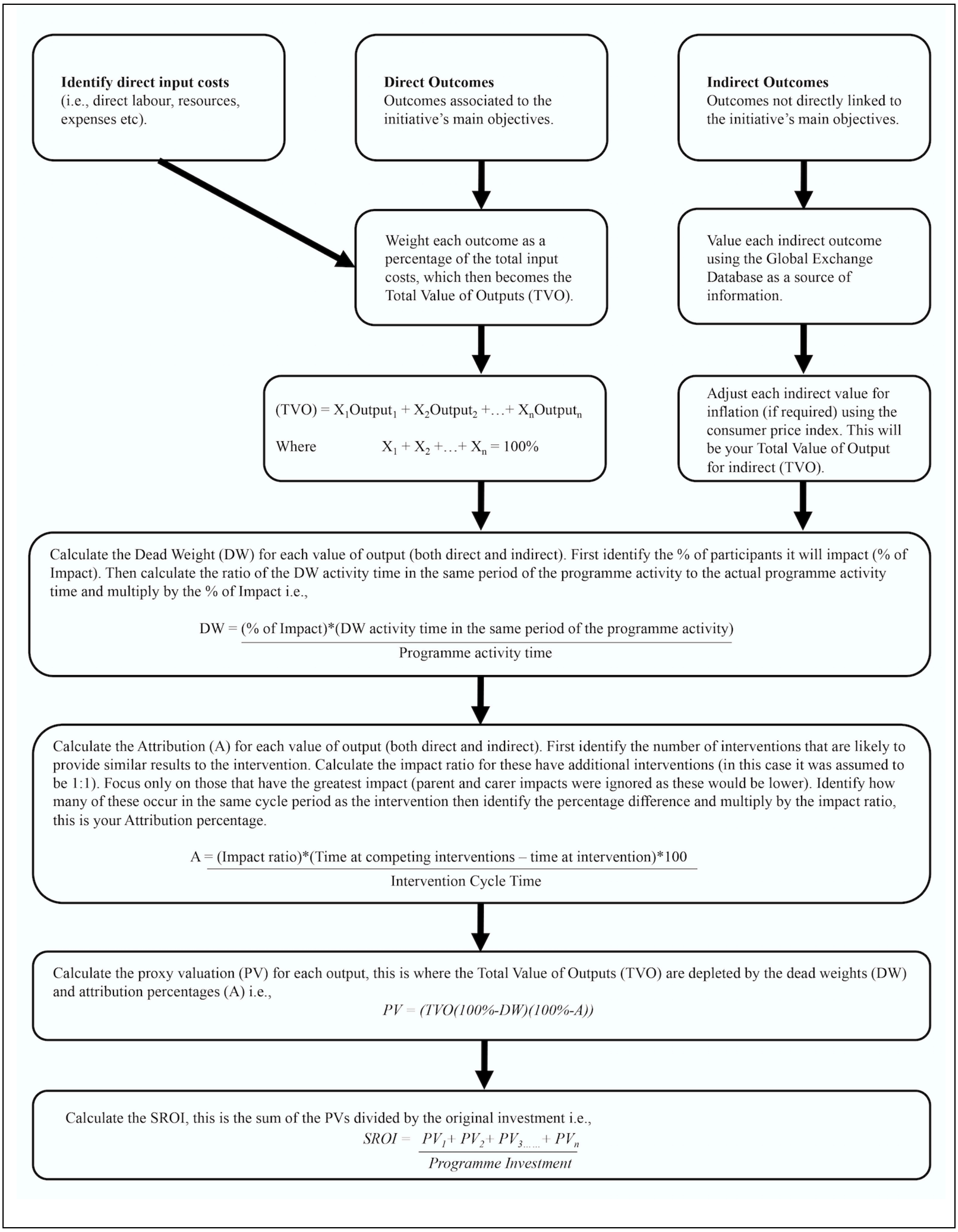

Figure 1: The SROI framework.

Results.

The thematic analysis identified a number of key themes which were used as the cost elements for the SROI calculations. These costs were obtained from Social Value UK's (2018) Global Value Exchange database (which is an open-source database of values, outcomes, indicators and stakeholders for social research). Table 1illustrates the direct costs for the programme. Table 2 is the breakdown by output (decided through an action research process)

Table 1: Direct costs for the Tweens and Twenty programme

Support Ratio (support staff to participants)	Breakdown of Participants per cohort (attendance per week). a	Cost per session per person b	Cost per session per week. (a x b) c	Cost per session per year (48 weeks) (c x 48) d	Cost per session over 5 years (d x 5)
1:5	35	32.08	1122.8	53,894.40	269,472.00
1:2	5	40.51	202.55	9,722.40	48,612.00
1:1	5	57.01	285.05	13,682.40	68,412.00
Total				77,299.20	386,496.00
Ave attendance rate = 90%, thus actual costs are:				69,569.28	347,846.40
Overheads				14,478.32	72,391.60
Total Grant from the Bog Lottery Fund					**420,238.00**

Table 2: Values of outcomes as a proportion of direct costs.

Output	**% Breakdown**	**Cost per output over 5 years.**
Ability to Travel	0.20	69,569
Ability to use money.	0.20	69,569
Become more independent	0.20	69,569
Safe behaviours in public	0.20	69,569
Personal Hygiene and appearance	0.10	34,785
Reduction in Challenging behaviours	0.10	34,785
		347,846

A series of non-direct costs were also identified (i.e., those not directly related to the programme). The overall summary is illustrated tables 3 and 4.

Table 3: Worse case SROI summary.

	Breakdown per programme value	Programme Value	Dead-weight (DW)	Programme Value Less DW	Attribution (A)	Programme Value less DW & A
	%	£	%	£	%	£
Programme Costs						
Ability to Travel	20%	69,569	20%	55,655	80%	11,131
Ability to use money	20%	69,569	20%	55,655	80%	11,131
Become more independent	20%	69,569	20%	55,655	80%	11,131
Safe behaviours in public	20%	69,569	20%	55,655	80%	11,131
Personal Hygiene and appearance	10%	34,785	20%	27,828	80%	5,566
Reduction in Challenging behaviours	10%	34,785	20%	27,828	80%	5,566
Sub total		**347,846**		**278,277**		**55,655**
Participants Costs						
Participants value for volunteering.		1,492,205	0%	1,492,205	80%	298,441
Not being able to meet up with friends a number of times per week.		3,655,733	81%	694,589	80%	138,918
Sub total		**5,147,938**		**2,186,794**		**437,359**
Respite Cost						
Caring cost		258,066	69%	80,000	0.00	80,000
Not being able to meet up with friends a number of times per week.		6,580,319	69%	2,039,899	80%	407,980
Sub total		**6,838,385**		**2,119,899**		**487,980**
Parent / Carer Healthcare Costs						
Stress Counselling		57,850	0%	57,850	80%	11,570
Sub total		**57,850**		**57,850**		**11,570**
Total Social Impact (TSI)						**992,565**
Programme Investment (PI)						**420,238**
SROI (TSI/PI)						**2.36**

Table 4: Best case SROI summary.

	Breakdown per programme value	Programme Value	Dead-weight (DW)	Programme Value Less DW	Attribution (A)	Programme Value less DW & A
	%	£	%	£	%	£
Programme Costs						
Ability to Travel	20%	69,569	20%	55,655	66%	18,923
Ability to use money	20%	69,569	20%	55,655	66%	18,923
Become more independent	20%	69,569	20%	55,655	66%	18,923
Safe behaviours in public	20%	69,569	20%	55,655	66%	18,923
Personal Hygiene and appearance	10%	34,785	20%	27,828	66%	9,461
Reduction in Challenging behaviours	10%	34,785	20%	27,828	66%	9,461
Sub total		**347,846**		**278,277**		**94,614**
Participants Costs						
Participants value for volunteering.		1,492,205	0%	1,492,205	66%	507,350
Not being able to meet up with friends a number of times per week.		3,655,733	81%	694,589	66%	236,160
Sub total		**5,147,938**		**2,186,794**		**743,510**
Respite Cost						
Caring cost		258,066	69%	80,000	0.00	80,000
Not being able to meet up with friends a number of times per week.		6,580,319	69%	2,039,899	66%	693,566
Sub total		**6,838,385**		**2,119,899**		**773,566**
Parent / Carer Healthcare Costs						
Stress Counselling		57,850	0%	57,850	66%	19,669
Sub total		**57,850**		**57,850**		**19,669**
Total Social Impact (TSI)						**1,631,359**
Programme Investment (PI)						**420,238**
SROI (TSI/PI)						**3.88**

Discussion.

This study has delivered part of its aims by demonstrating how a SM campaign can be economically assessed using the SROI framework, but what do the numbers mean? Fujiwara, Oroyemi and McKinnon (2013) believe that individuals will have a number of costs frames in mind. The most important being a 'willingness to pay' for the benefits, which in commercial terms would be the cost-plus profit. There are numerous models that can be used to evaluate these concepts, and their preferred recommendation is the life satisfaction approach (see Fujiwara & Campbell, 2011). As it stands, there could be additional benefits (i.e., the equivalent of profits as seen in the commercial sector). It would mean that the direct outputs would have additional proxy valuations making them higher and increasing the SROI value. Unfortunately, such an evaluation was beyond the scope of this study, that said, the adoption of the pragmatic approach, which this study did, yielded a set of results that were acceptable to the commissioning organisation. So, before embarking on an SROI review, scholars and practitioners should assess the objectives, skills and timeframe limitations because as Fujiwara and Campbell (2011) stressed, adopting a life satisfaction approach would require the development of new scales, which would be costly and time consuming. The justification of such an approach is questionable because those organisations that are best suited for the application of an SROI analysis are more than likely to be the ones that have limited budgets and resources. The answer to this dilemma would probably only be found when funding bodies are questioned, but as of yet, the BIG Lottery Fund have not stipulated that such a detail SROI approach is required.

The study demonstrates that the SROI process is not an exact science and the results cannot be generalised because the data for each proxy value is driven from the themes identified through the semi-structured interviews. What is important is the inclusion of an action research process because involving the stakeholders should ensure acceptance of the final figure. That said, the SROI value should never be used as the sole indicator of social performance (see Olsen and Lingane, 2003).

Conclusion.

The study utilised a pragmatic approach in establishing the proxy valuation although all identifiable gaps were still reported, giving the evaluator a clear view of the whole process. It calculated the SROI value for the Teens-n-Twenties programme to be between 2.36:1 and 3.88:1. People Matters were pleased that the process demonstrated a positive outcome even though three stake holder groups were excluded. The final report was presented to the Big Lottery Fund as part of a refunding submission which resulted in People Matters receiving a renewed grant of just under £500K (People Matters, 2015), ensuring its survival and the on-going delivery of the said programme. It is unclear to what extend the evaluation played in this decision so further research to investigate how funding evaluators perceive such reports would be beneficial. Based on this outcome the author had argued that the SROI process was not an exact science and as the inputs were unique to the organisation under investigation one would not be able to generalise the final results. Overall, the key to success is to be transparent and acknowledge the issues which the evaluator can then assess. Finally, it is the author's belief that this work contributes to the knowledge and practice of SM by presenting a possible solution to Lister et al.'s (2008) concerns on how SM can be evaluated.

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