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# Marketing Accountability Standards

Measuring (Forecasting & Improving) Return  
from CPG Target Segments using CLV  
Status Report  
December 2009

Rick Abens  
TBD



Marketing Accountability Standards Board  
of the Marketing Accountability Foundation

# Measuring CLV for CPG Target Segments (Rick & TBD)

- I. Frame-Up (Emerging Issue Project Abstract)\*
- II. Research
  - A. What is Known/not Known/need to Know
  - B. New Learning
  - C. Preliminary Summary & Conclusions
- III. Review
  - A. Open Debate by MASB (revisions/approval)
  - B. Open Debate by MASAC (revisions/approval)
  - C. Posting for Industry Feedback (revisions)
- IV. Adoption or Acceptance by MASB
- V. Publication
- VI. Education
- VII. Systematic review over time (revisions)

\* Approved by MASB/Chair when \$\$ or Team required; Disclosure to MASB/Chair if not

# Measuring CLV for CPG Target Segments

## Objectives

**Phase I: Document what is known about CLV.**

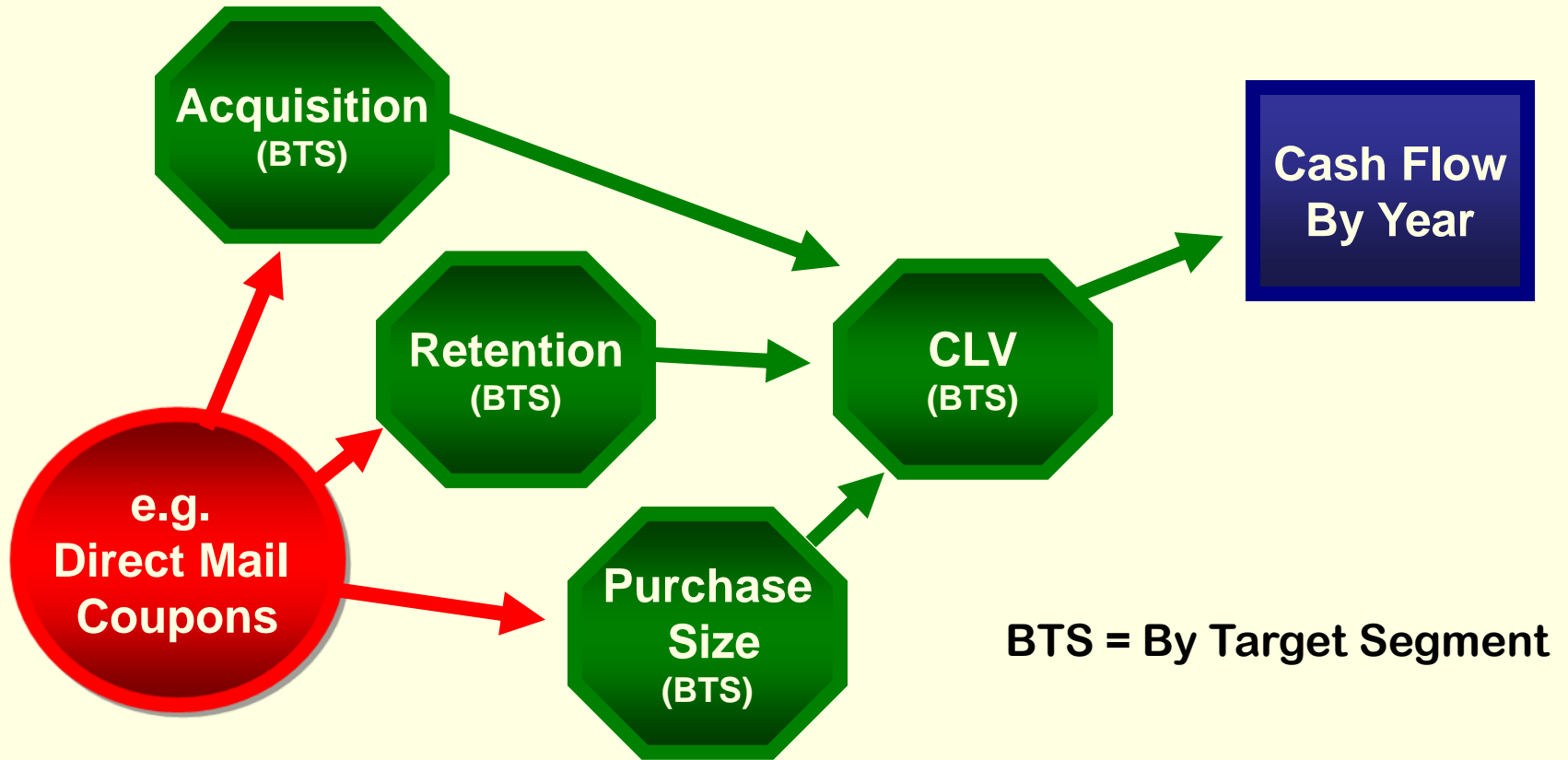
**Phase II: Conduct a pilot that will demonstrate that the CLV construct and models can be reliably applied to CPG target marketing.**

**Phase III. Determine the extent to which this approach satisfies the MMAP Characteristics (e.g. predictive validity and causality) for use in CPG business practice to improve overall financial performance.**

## Hypotheses

- 1) A metric of Customer Lifetime Value (CLV) can be standardized and used to quantify the short and long-term effects of marketing activities on financial performance for CPG target segments.**
- 2) The CLV structure will allow marketers to better target the right marketing efforts to the right consumers.**
- 3) The measurement components of the CLV construct applied to CPG can be improved over time for more accurate forecasting and process management.**

# Target Marketing Activity & CLV (Conceptual Links)



# Measuring CLV for CPG Target Segments Team Agenda (Dec 09)

- 1) The Marketing Research Event (Rick 10/09)
- 2) Recruit dunnhumby/Kroger, Catalina/Nielsen or Nielsen panel (12/09)
  - Retailers: a) shopper loyalty, b) category growth, c) competitive advantage and d) better understanding to improve marketing mix
  - Manufacturers: a-d above plus branding
  - Agencies: new service and competitive advantage
- A. Set meeting with dunnhumby/Kroger 1/7,8 (Rick/team)
  - Convert IAB deck for dunnhumby (Meg)
- B. Catalina/Nielsen as backup (Rick)
  - Modify above deck for Catalina/Nielsen
- C. Contact Shubu et al. (Coke) to see if interest in project (Meg)
- 3) Review project participant statements and into EI template (Meg/Allan/Debra/Mike)
- 4) Pilot kick-off meeting (TBD)
- 5) MASB review a la MMAP Characteristics (Allan – TBD)
- 6) Post for Industry Feedback (TBD)

# Measuring CLV for CPG Target Segments Project Team

**Leads:** Rick Abens (Foresight ROI)  
TBD

**Heroes:** Dominique Hanssens (UCLA)  
VK Kumar (GSU & AMA)  
Jamie Richardson (Kimberly Clark)  
Chris Ciccarello (Conagra Foods)  
Debra Parcheta (Blue Marble)  
Craig Gugel (ARF)

**Admin:** Allan Kuse (MMAP Center)  
Meg Blair (MAF/MASB)

**Meet:** Monthly on 3<sup>rd</sup> Friday at 11:00 am ET

Attended Dec 09 meeting: Rick, Jamie, Chris, Meg, Allan