
Metrics for Accountability: Managing Across the Media Mix

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MARKETING & COMMUNICATIONS
INTΣGRATION[®]



Marketing Accountability Standards Board
of the Marketing Accountability Foundation

Market ContactAudit® (MCA) & Marketing Accountability

- Metrics, tools & processes developed over ten years, 12,000 brands, 60 categories, 25 languages....
- Integrated marketing goes well beyond assuring that all marketing communications reinforce the same message and image.
- ***It is about integrating marketing into the management of the enterprise.***

MCA®: Bringing Integration to Marketing

- Integrating contacts & consumers
 - MCA measures how contacts contribute to brand experience
 - MCA provides planners with insight into how to maximise opportunities

- Integrating marketing actions & outcomes
 - MCA provides actionable data to understand what is working & how it is contributing
 - MCA enables the development of superior marketing processes and corporate memory

- Integrating marketing & the enterprise
 - MCA KBIs (Key Business Indicators) assess effectiveness & efficiency
 - Line of sight between KBIs and other business processes
 - Provide a means of business prioritization

Brand Experience as “Voice of the Consumer”

- From the Six Sigma process management perspective, two simple MCA metrics serve as “outcome indicators” for the marketing process:

Contact Clout Factor (CCF):

- Σ Single indicator for the capacity of a contact to influence attitudes

Brand Experience Points (BEPs):

- Σ How much consumers are experiencing a brand through a contact, factored by how influential (CCF)

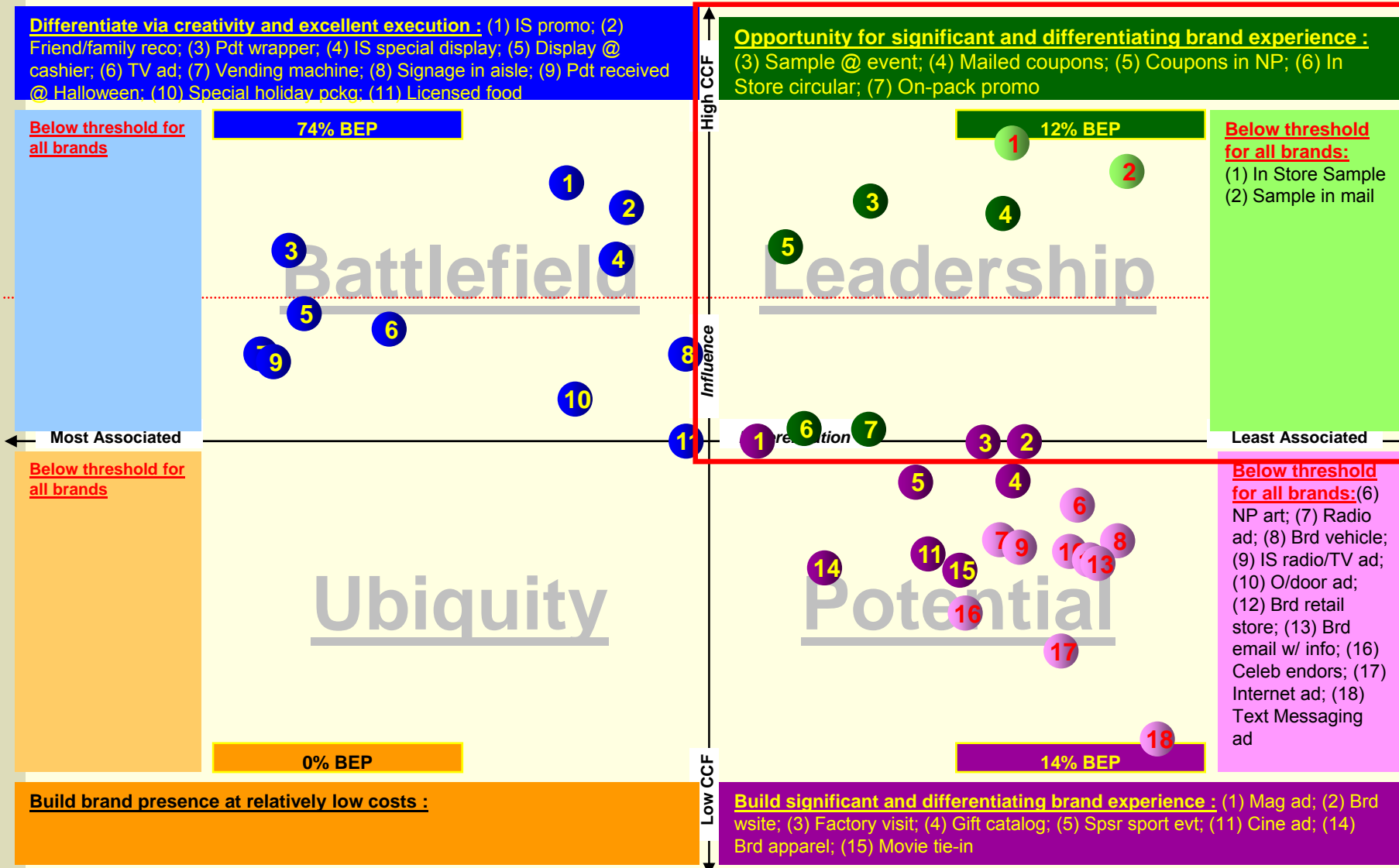
BEPs: Single Currency for Marketing Communications Effectiveness

		Brand A							
Contacts (up to 35)	CCF	Assoc	BEPs	Aware	Costs M\$	Costs per BEP	MS	SWOTs	
								Share BEP	Fair Sh. BEP
TV Ad	70	40%	2,800		25,000	\$ 8,930		38%	+3
W.O.M	60	30%	1,800		-			34%	-1
Mail from Brand	50	20%	1,000		3,000	\$ 3,000		24%	-11
(...)									
Blogs	20	40%	800		1,500	\$ 1,875		47%	+12
		Totals	6,400	100%	29,500	\$ 4,610	43%		

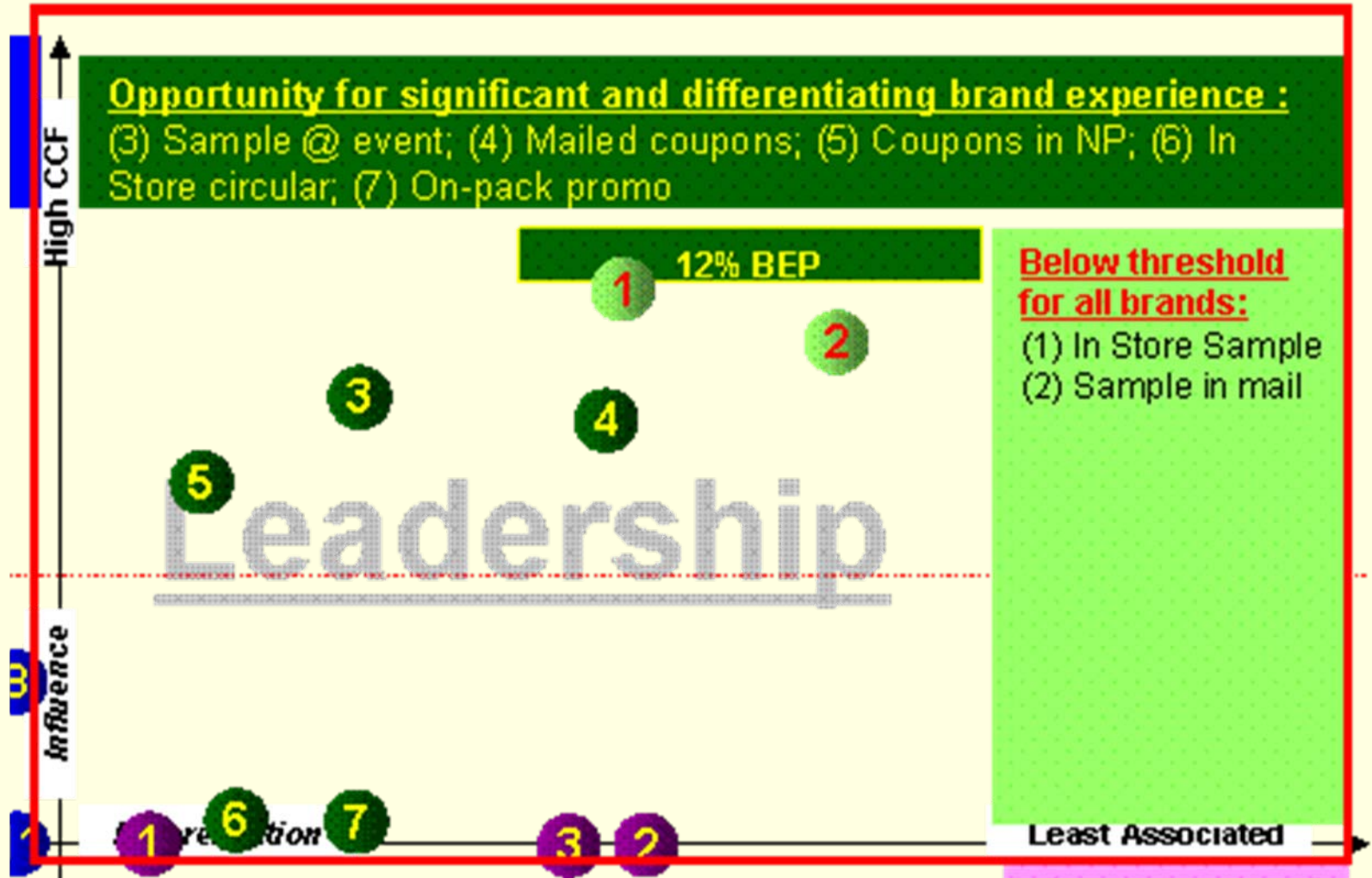
- Σ How are consumers influenced in the category?
- Σ Which contacts are contributing most/least?
- Σ How efficiently are contacts generating experience?
- Σ How does my brand benchmark versus competition?

Finding Opportunities to Influence AND Differentiate

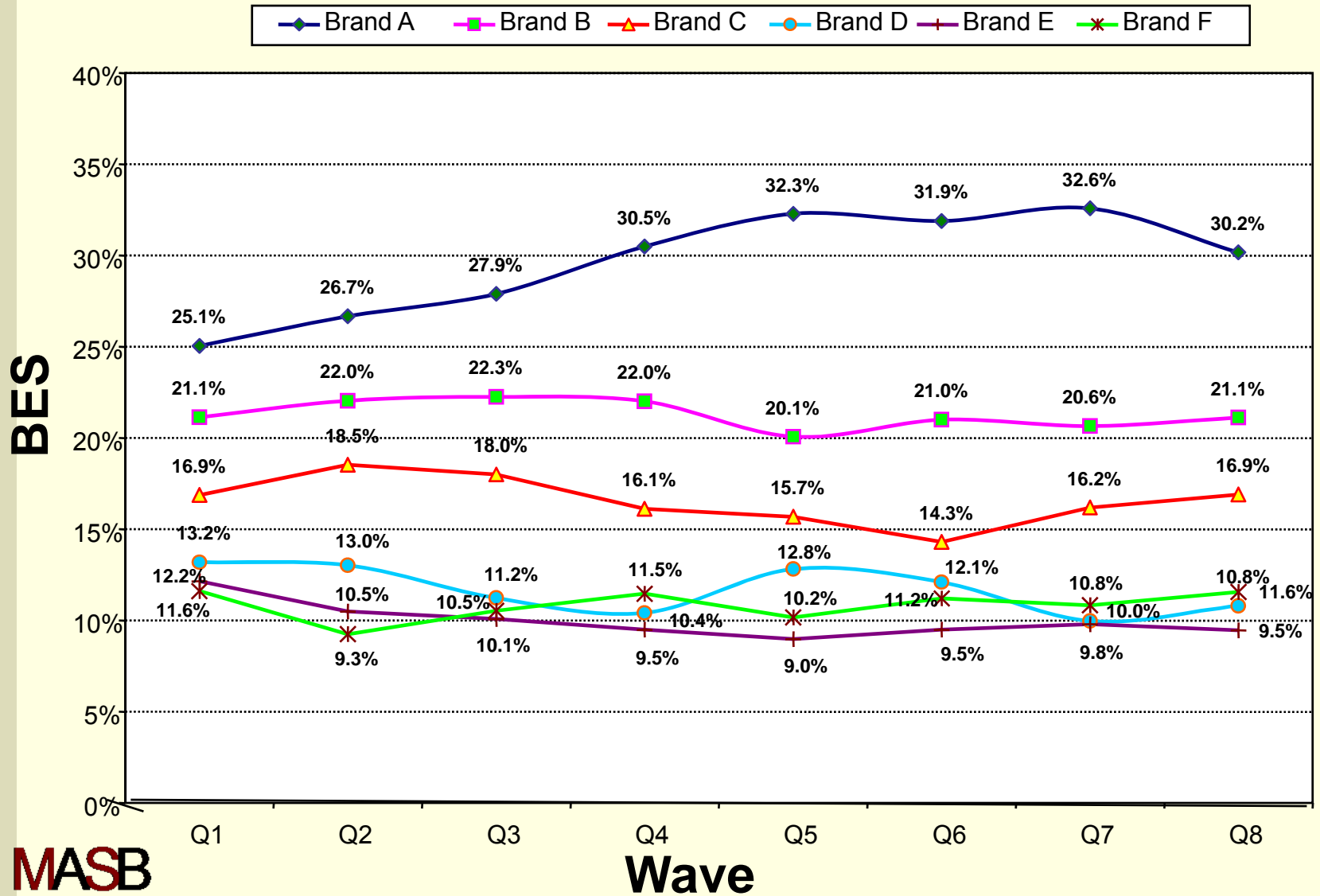
Matrix of Category Experience: • Chocolate • XXXXX



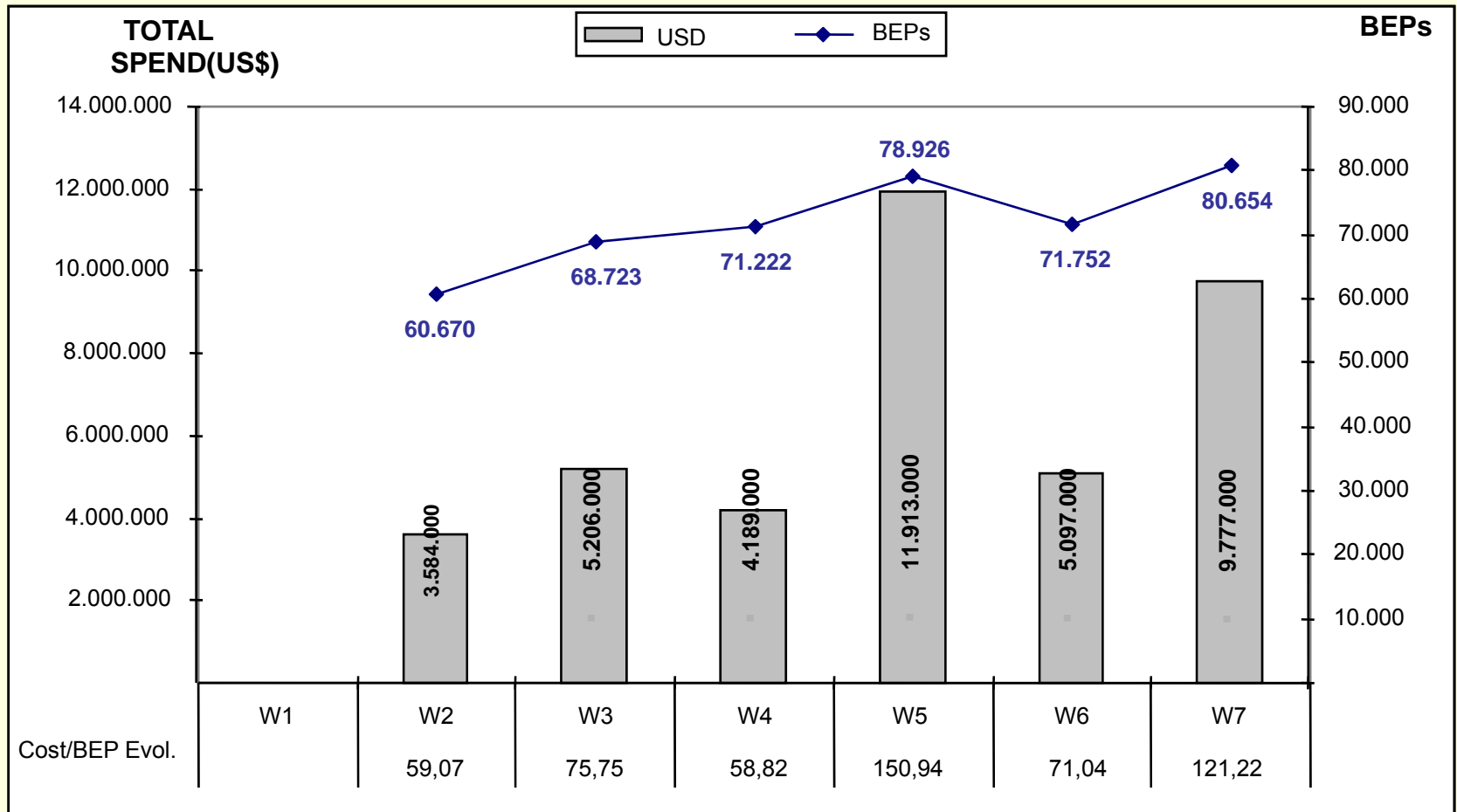
In this market, the opportunity is in trial-related activities



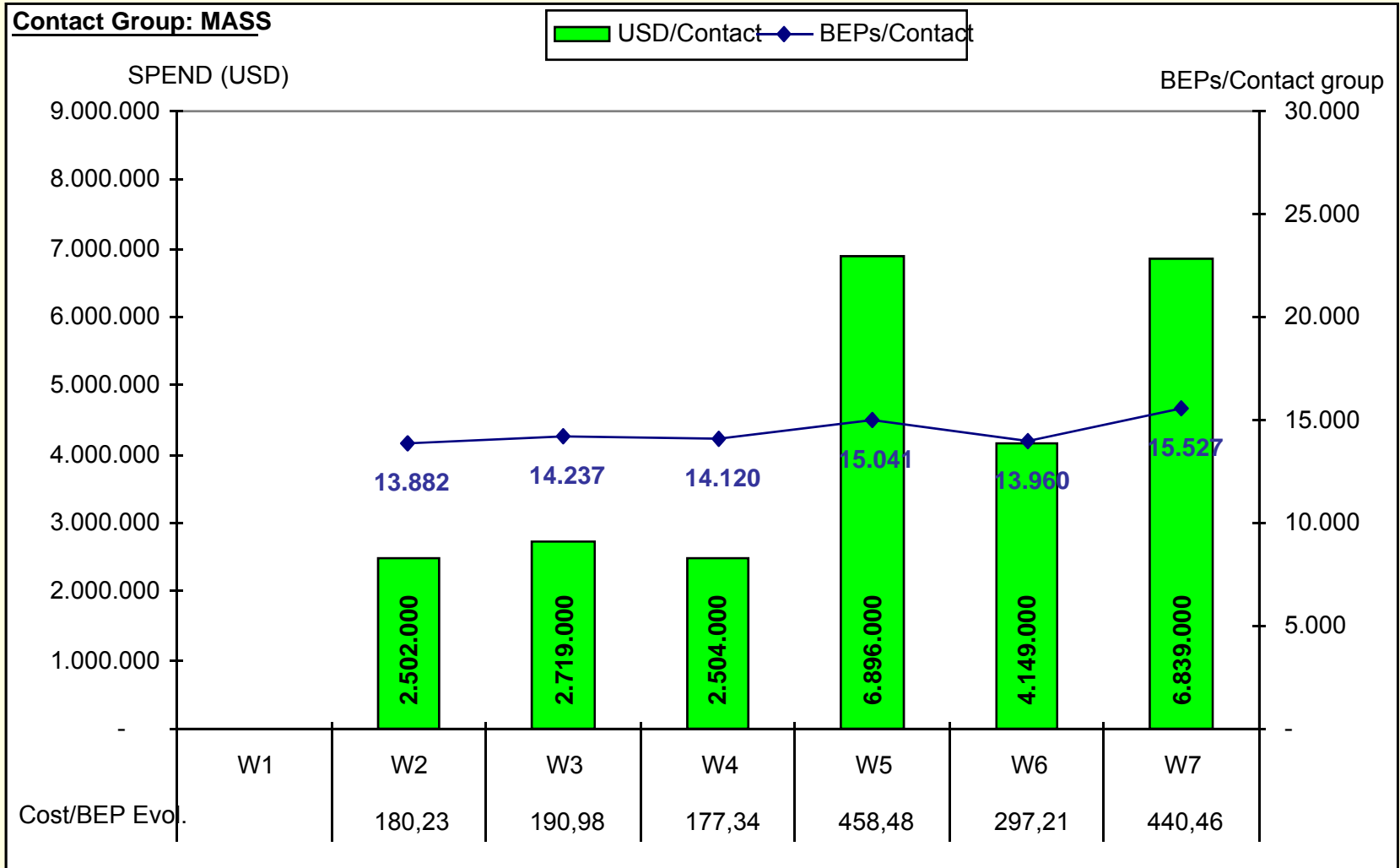
Putting BEP into Practice: An Illustration: Brand A is Increasing EFFECTIVENESS over time ...



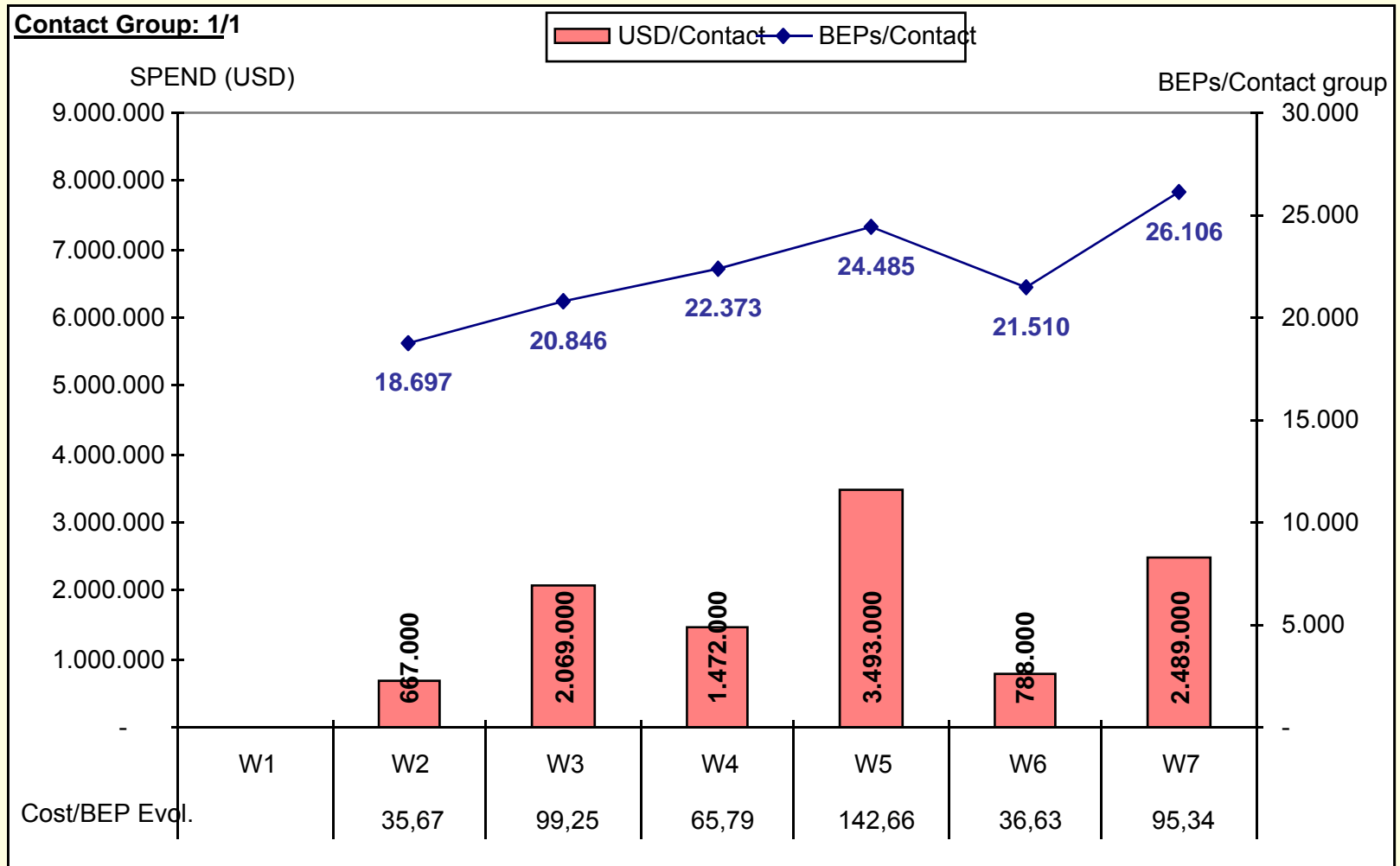
Spending increases BES ... but *which* activities are driving the gains?



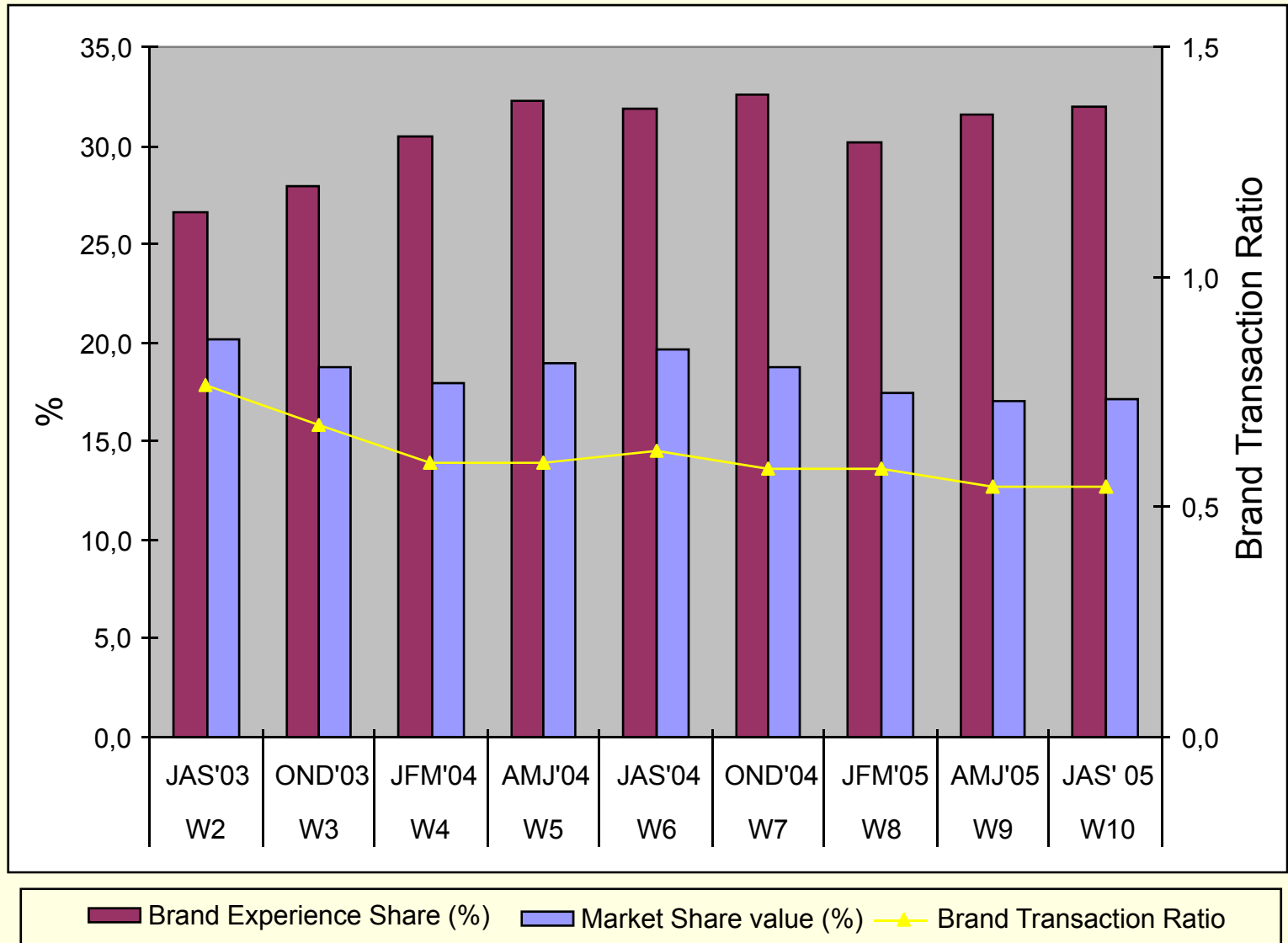
Heavy spending in Mass Media do not yield significant or lasting increases in BEPs ...



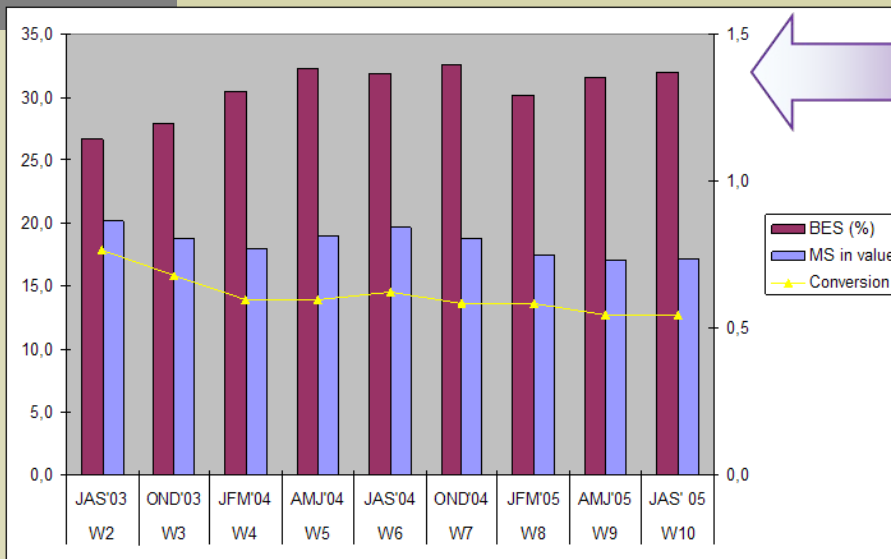
But increases in 1/1 spend do provide increases that are significant and lasting



MCA tracking indicated early on that Brand A was suffering a declining *Brand Transaction Ratio* ...



... which led to the diagnosis of the problem:

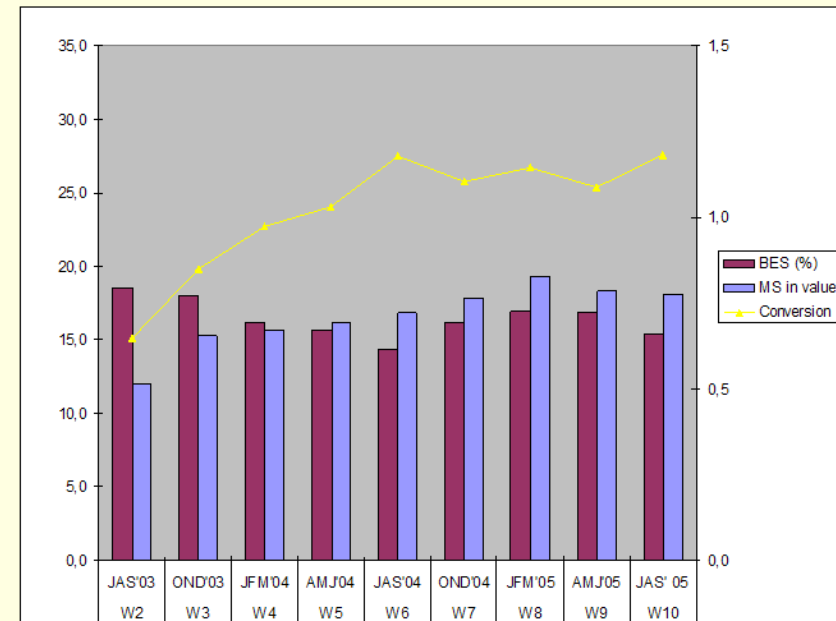


Brand A

- Faces structural disadvantages vs. local competitors with more leverage in retailers and other key channels...
- AND late to introduce new product features in fastest growing segment
- BTR shows continuous erosion

Competitor Brand X

- Local competitor had greater assets in key distribution channels...
- AND was innovating in fastest growing market segment
- BTR shows continuous strengthening



Integrating Marketing & the Enterprise: RE: breaking down those “silos” ...



Σ Silos are big, heavy things, full of valuable stuff we need...and they like being Silos

What's needed is to make them COMPARABLE, and provide the BRIDGE

- Σ Single currency measurements allows *comparability*
- Σ Bridge is *transparency*, giving all stakeholders access to the data



Key Business Indicators (KBIs) for the Enterprise

		Indicators	Learnings
MCA®-Marketing KBIs	1	BIR: Brand Interaction Ratio	Capacity to generate 'Brand Experience'
	2	BTR: Brand Transaction Ratio	Capacity to convert interactions into market share
	3	RBE: Return in Brand Experience	How cost efficiently marcom generates 'Brand Experience'

Each KBI represents a ratio between Brand Experience Share (BES) and existing marketing metric:

- Brand Awareness
- Market Share
- Spending

Calls to action to make marketing more effective and efficient.



MCA® Marketing-KPIs			Means...	Action-Guidelines	
Communications Mix	Sales Mix				
High Brand Interaction Ratio	+	High Brand Transaction Ratio	=	Marketing Process is Aligned	<ol style="list-style-type: none"> 1. Learn Best Practices to re-apply 2. Consider increasing marcoms expenditure to increase Brand Experience 3. Optimize RBE
High Brand Interaction Ratio	+	Low Brand Transaction Ratio	=	Marketing Process Is Out Of Synchrony	<ol style="list-style-type: none"> 1. Review Sales Mix 2. Consider reducing marcom expenditures until Marketing Process is aligned
Low Brand Interaction Ratio	+	High Brand Transaction Ratio	=	Marketing Process Is Sub-Optimal	<ol style="list-style-type: none"> 1. Review Communications Mix 2. Consider increasing marcom expenditures to grow Brand Experience 3. Maintain Sales Mix
Low Brand Interaction Ratio	+	Low Brand Transaction Ratio	=	Marketing Process Is Inferior	<ol style="list-style-type: none"> 1. Review entire Marketing Mix 2. Priority to improve Brand Transaction Ratio 3. Increase investments in marcoms only when Sales Mix is sustainable



The MCA[®] Marketing KBIs

Diagnosis of Marketing Process per Market

Brand X	Brand Interaction Ratio			Cost per BES/1000 Consumers (Illustration)	Brand Transaction Ratio			Status of MKTG Process	
	% Aware	BEPs / BA	Ratio Rank		Market Share	BES	MS / BES		
USA	96	622	3	33,000	20.9%	15.9%	1.32	Aligned	High levels of sales leads (BIR) and conversion to sales (BTR)
Singapore	99	839	2	12,000	16.2%	16.3%	1.0%		
Russia	100	544	2	7,000	18.4%	16.0%	1.15		
China	100	813	3	5,000	18.3%	16.1%	1.14		
Thailand	100	712	2	3,500	15.7%	15.4%	1.02		
Germany	92	259	5	32,000	15.2%	10.3%	1.47	Sub-Optimal	High level of conversion to sales but low level of sales leads.
UK	93	247	6	30,000	12.3%	9.2%	1.33		
Brazil	98	685	4	8,000	9.9%	14.7%	0.67	Out-of-Synch	High level of sales leads but low level of conversion to sales.
Indonesia	100	730	3	6,000	7.0%	16.9%	0.41		
India	100	669	3	5,500	15.3%	18.5%	0.83		
Vietnam	100	897	2	3,000	20.2%	21.0%	0.96		
Spain	92	247	6	25,000	12.3%	14.0%	0.88	Inferior	Low levels of sales leads and conversion to sales.



Cost-efficiency of Marcom:



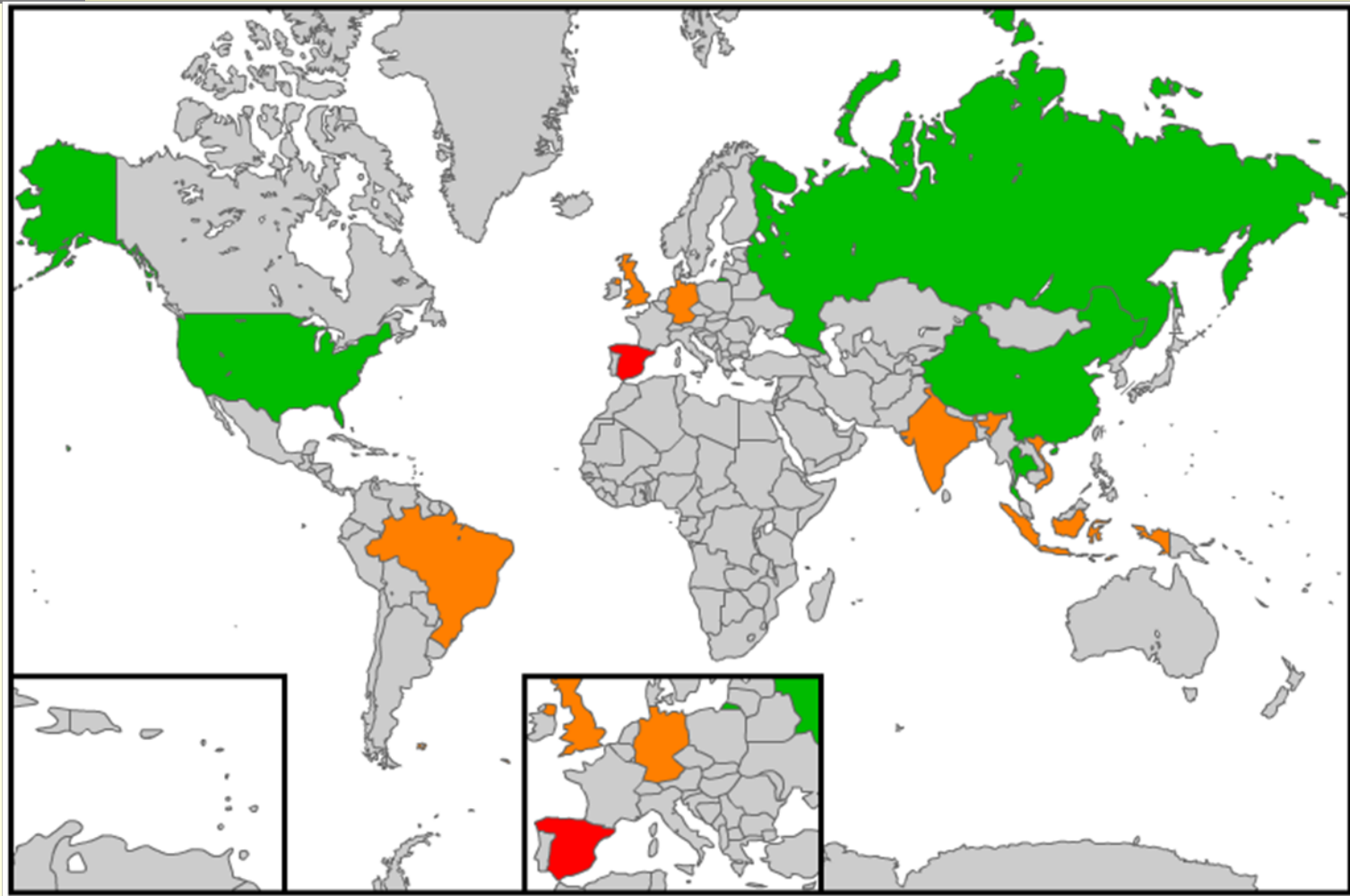
CPT BES Point = Cost per 1% BES (Gross) / Incidence Level / Population Size x 1,000



Note: Data for illustration only

Illustration

Global MCA-Marketing KBIs



- Aligned [▶ USA, Singapore, Russia, China and Thailand]
- Sub-Optimal [▶ Germany and UK]
- Out-of-Synch [▶ Brazil, Indonesia, India and Vietnam]
- Inferior [▶ Spain]

Recap: Bringing Integration to Marketing

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Thank-you!



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