
Research Project 07/08 No.2

Marketing Activities & Metrics Catalogue

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Marketing Accountability Standards Board
of the Marketing Accountability Foundation

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Background & Issue

- **Hundreds of measures/metrics in marketing literature & practice**
 - Few have been linked to financial metrics associated with brand profitability/cash flow/other measures of financial performance
 - Some of the most costly activities have no intermediate outcome metrics that reliably predict “return” (eg Advertising and Store/Channel activities).
 - It is often the case that measures of the same or similar name are quite different from one another
- **Numerous listings in “handbooks,” white papers, other sources**
 - Generally descriptive
 - Seldom provide details regarding psychometric properties
 - Rarely provide data on reliability, validity, range of use, sensitivity
 - Even fewer treatments of validity and sensitivity with respect to financial criteria

Solution: The MASB Catalogue

- Building on prior work (Handbooks, White Papers, Other)
- Define universe of marketing activities & measures/metrics used for evaluating outcomes
- Add the missing links for accountability
 - Properties & Range of Use
 - Relationship to Financial Metrics
 - Reliability, Validity, Sensitivity
 - How they match MASB/MMAP Standards

Feasibility & Consequences

- There are so many different measures that a completely comprehensive AUDIT at this time is not possible or practical
- It is possible, however, to begin cataloguing them all
- Identify specific metrics that are good examples of categories of measures
 - Good for measuring creative impact
 - Good for predicting long term impact of new product launches
 - Good for quantifying “impact of tv program on quality of tv advertising engagement”
- Ones that illustrate important differences within categories
 - Recall vs awareness etc
- Such a catalogue can provide a more systematic way of thinking about marketing metrics
- Relevant to all businesses

The Project Objective

Create a Catalogue of Marketing Activities and Metrics that provides detailed documentation regarding the psychometric properties of the measures and specific information with respect to reliability, validity, range of use, sensitivity... particularly in terms of validity and sensitivity with respect to financial criteria.

Hypotheses

Such a catalogue will provide a more systematic way of thinking about marketing metrics, the criteria for assessing their validity, sensitivity, relationships to one another and to measures of financial performance.

Over time this discipline will reduce the number of metrics used from nearly 300, to just those that reliably tie to financial performance, or to the drivers of those that reliably tie to financial performance, etc (ie those which meet the MASB/MMAP Standards).

Project Description

Identify metrics used in Marketing from the numerous books/handbooks of measures and metrics recently published, those included in the ANA work and the current CMO Council initiative, with review/additions from MASB Board Members.

Document for each metric, information about Source Data, How Derived, How Used, Strengths, Limitations, and Relationship to Financial Metrics.

Then add what is known about how each metric meets the MASB/MMAP Standards.

The Catalogue will be dynamic in that new metrics and new information about existing metrics will be added systematically...

...and will include all metrics known to be used in the practice of marketing.

Expected Results

A dynamic MASB Catalogue listing nearly 300 metrics that will provide a systematic way of thinking about marketing metrics, the criteria for assessing their validity and sensitivity and their relationships to one another and to measures of financial performance.

Over time the Catalogue would be reduced to just those metrics that meet MASB (MMAF) Standards.

Status

- 294 Metrics identified
- Indexed
- Some Information filled in
- Budget of \$15K-\$20K approved
- Team of 2-3 summer MBA interns, Ph.D. students, or very capable undergraduate research assistants
- Directed by MASB academic & practitioner (Stewart & Sirkin)

Cooperative Opportunity?

Nielsen is working on a project which may provide the opportunity to work together on this catalogue project.

Specifically, on the front-end whereby all the measures/metrics might be organized/classified with “Common Language and Integrated Information along the Marketing Information Chain”

The summer team would focus solely on filling in what is known about the Metrics...not the language or organizational scheme.



Thank-you!



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