
MASB Research Project

The Street Status Report

August 7, 2009

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TBD



**Marketing Accountability Standards Board
of the Marketing Accountability Foundation**

The Street Project

- I. Frame-Up (Emerging Issue Abstract)
- II. Research
 - A. what is known/not known/need to know
 - B. new learning
 - C. preliminary summary and conclusions
- III. Review
 - A. open debate by MASB (revisions/approval)
 - B. open debate by MASAC (revisions/approval)
 - C. posting for Industry challenges
- IV. Adoption by MASB
- V. Publication
- VI. Education
- VII. Systematic review over time (revisions)

The Street Project

Objectives

Begin dialogue with analysts to determine interest in greater standardization of marketing metrics available to them. Understand pain points of buy and sell side analysts.

Explore metrics they might need to reliably value the return, result, efficiency of marketing spend.

This first step will start the process and bring high level attention to MASB and its Mission/promise.

It will determine and/or create the need for understanding marketing metrics and their potential use in firm performance and valuation in a way that is meaningful to the CEO.

Description

Interviews with financial analysts, needs assessment, gap analysis, start of discussion around education and ratio development needs. Potential creation of accounting standards based metrics/ratios.

Status (The Street)

- 6 Interviews were conducted in July and August 2008
- Results were presented at Chicago MSB Summit
- Good reception, more questions sparked
- Understanding of financial analyst role not well understood
- Some education provided, more is needed

Take-aways for MASB

- The analyst community cares
- Wall Street cares
- CEOs care about what wall street thinks (ergo CMOs, CFOs)

- But Wall Street needs help
- They are dubious of firms' self reported valuations
- They want to understand marketing metrics
- They want standardization and validity
- The demand for valid and trustworthy metrics is increasing
- Buy side, sell side, fundamental and quantitative analysts are interested

- So.... validate, standardize and educate.

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- A roundtable for discussions w/analysts was next in the plan
- However, the climate changed dramatically post 8/08
- The Street Project went to “hold” status
- Now may be an opportunity to get people to talk:
The current economic climate is precisely the time that these insights are needed, because of the apparent disconnect between Wall Street and firms' real customer value creation (Hanssens).

- **Need assistance for recruiting roundtable**

Next Steps

- Project approval by MASB Chair (Done 6/08)
- Design Interview/Talking Points (MJ & Mike 7/08)
- Circulate to MASB for feedback (MJ 7/08)
- Begin Interviews (MJ 7/08)
- Review & Status Deck for Summit (MJ 7/7/08)
- **Gather 15 candidates for round table discussions (TBD)**
- **Round table discussions (TBD)**
- **Compile findings and submit to MASB (TBD)**
- **Submit findings for publication (TBD)**

The Street Project Team

Leads: MJ Tisor
TBD (Finance Academic)

Heroes: TBD (EY?)

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

Meet: TBD



Thank-you!



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