



**ANA**



**MASB**  
Marketing Accountability  
Standards Board



**ANA**

A photograph of a long, straight asphalt road stretching towards the horizon. The road has a yellow dashed center line and white solid edge lines. The surrounding landscape is a flat, grassy field. The sky is filled with large, dramatic, grey and white clouds, with some sunlight breaking through on the left side. The overall mood is one of vastness and potential.

# **Brand Valuation**

**We're At The Beginning of a  
Grand Journey**

# Brand Valuation Objectives:

## ANA Perspective

- To determine if “brand value” has operational importance for marketers
- To create a universally accepted standard for valuing brands consistently
- To determine if brand value should hold a higher place of marketplace recognition in the financial community





# Objective 1

Brand Value  
Importance



# Objective 1: Brand Value Importance

- Senior Marketers' Perspectives:
  - My job is to drive traffic and transactions—I know exactly what it takes to meet our objectives, and my CFO buys into our model.
  - I measure brand preference—***not the dollar level of brand value***. Knowing the drivers that can change consumer behavior helps marketers determine what actions should be taken.
  - Until there is a clear connection between driving increases in brand valuation and the delivery of short and long term performance, focus will remain on driving “brand preference”



# Objective 1: Brand Value Importance

- Marketers don't need or want a brand value metric
  - Relevance hasn't been proven.
    - Does knowing brand value help improve operational / strategic performance?
  - If relevance is proven, then it has been poorly communicated
  - If relevance is proven, then it is not yet believed by marketers or the marketplace
  - If relevance is proven, then there is no consistent way to calculate it



# Objective 1: Brand Value Importance

- ANA's Annual Top Marketing Issue Survey
  - Accountability – perennial #1
    - Developing and measuring return on marketing investments.
  - Building strong brands
    - The challenge of long-term brand building while being accountable for delivering short term quarterly results.
  - Integrated marketing communications
    - How to bring together the various marketing channels for a better ROI.



# Objective 1: Brand Value Importance

For this project to have any traction:

- Marketers must understand what Brand Value is
- Marketers must believe that increasing brand value is the foundation for superior short and long term business performance
  - Short and long term revenue growth
  - Short and long term profit growth
- CFO's / CEO's must believe it leads to shareholder equity growth



# Objective 1: Brand Value Importance

If we don't prove this:

- Why should we invest time and resources to create “Generally Accepted Brand Valuation Standards”?
- Why should the marketing community care if brand value gets recognized on a company's financial statements?



# Objective 1: Brand Value Importance

Superb Marketing  
Effectiveness



Strong  
Brand Value  
Growth



Increasing  
Shareholder Equity



Superior Results  
Short and Long  
Term

# Objective 1: Brand Value Importance

- Should we continue?
  - Brands are one of the most important assets – sometimes the most important
  - Brands are the end product asset of marketing investments – they produce cash flow
  - Valuation methodologies have become more scientific precise and aligned
  - Marketers theoretically should be accountable for brand value



# Objective 1: Brand Value Importance

- Should we continue?
  - Supports long term while fulfilling short term performance objectives
  - Elevates marketers' role in the C-Suite
  - Rising brand value should elevate net worth / share price





## Objective 2

Creating “Generally Accepted Brand Valuation Standards”



## Objective 2: Creating “Generally Accepted Brand Valuation Standards”

- “We can’t manage what we can’t measure”
- Lots of valuation methodologies
  - Interbrand
  - Core Brand
  - Millward Brown
- Marketers have no common standard
- Brand valuation should have a common standard

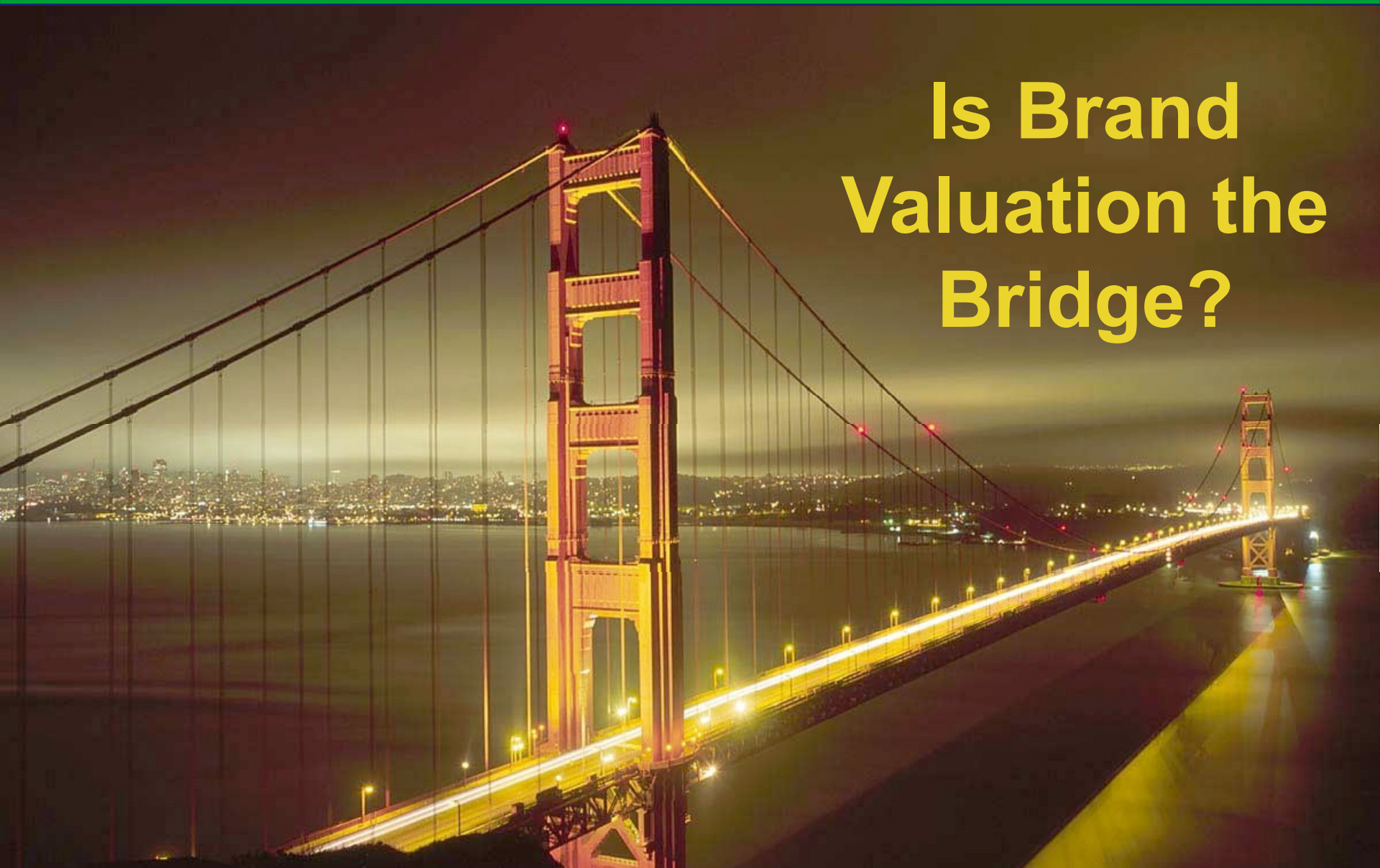


## Objective 2: Creating “Generally Accepted Brand Valuation Standards

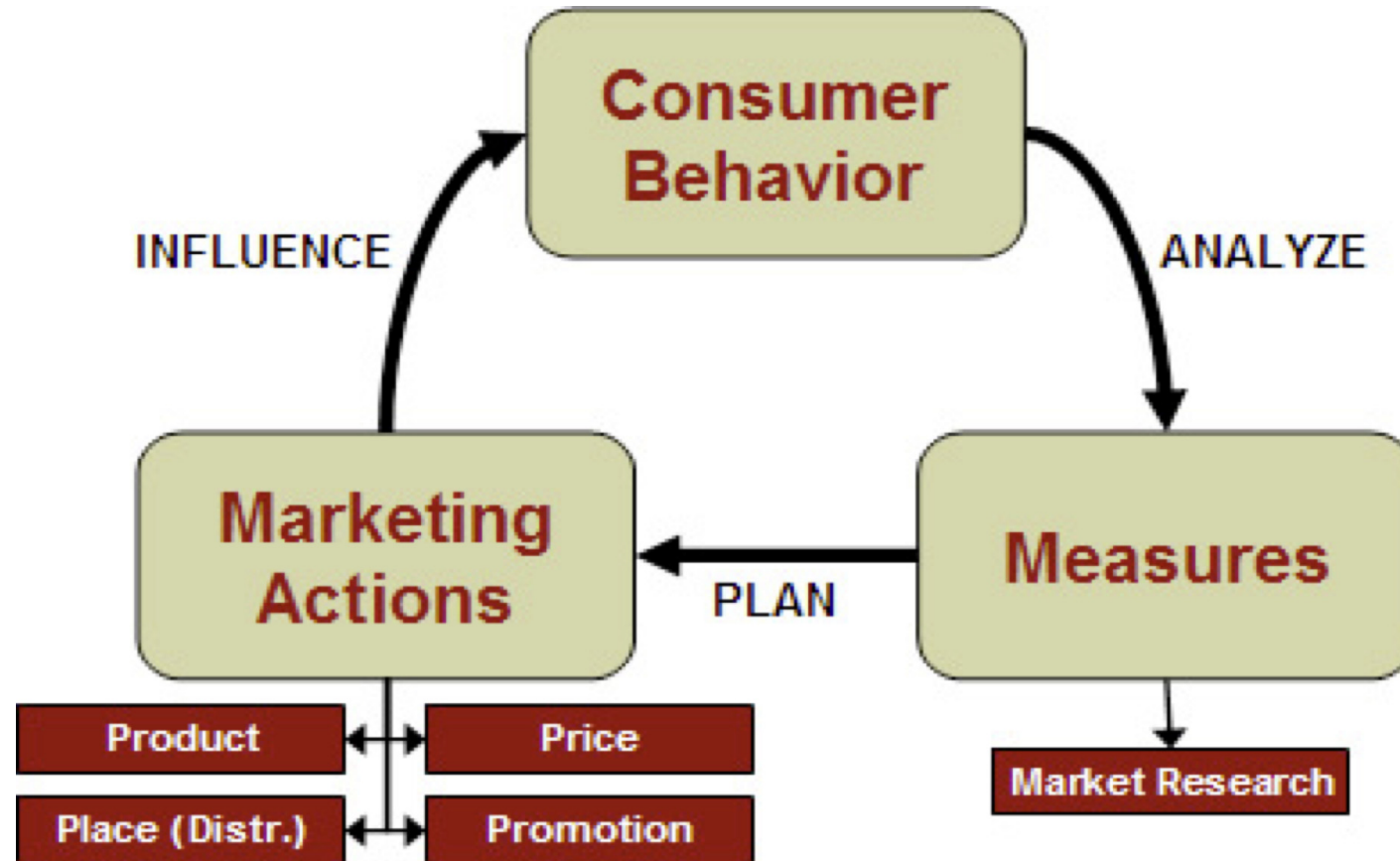
- The marketing community needs commonality / agreement
- Provides the basis for advancing brand valuation discussions / debates

## Objective 2: Creating “Generally Accepted Brand Valuation Standards

Is Brand Valuation the Bridge?



# Objective 2: Creating “Generally Accepted Brand Valuation Standards”



Menu

Brand Metrics

Advertising Metrics

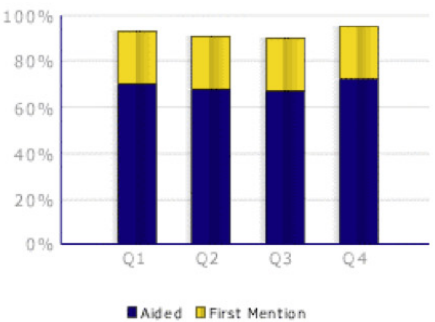
Purchase Metrics

Geographic Roll Ups

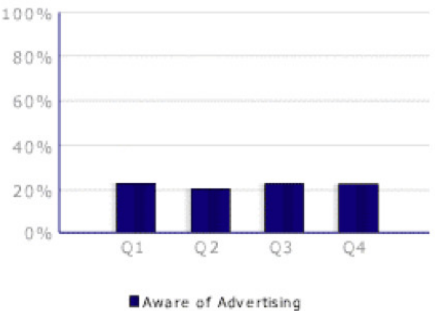
- World
- USA
- Canada
- Latin America
- UK
- Europe
- Russia
- Africa
- China
- Pacific

Product Groups

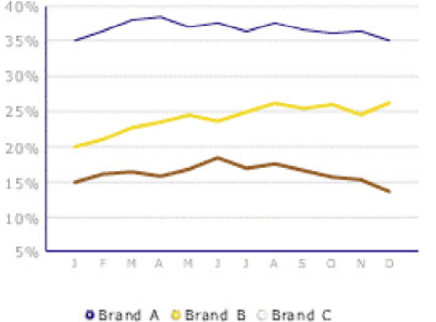
Brand Awareness



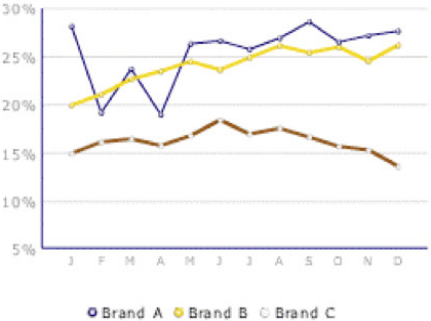
Advertising Awareness



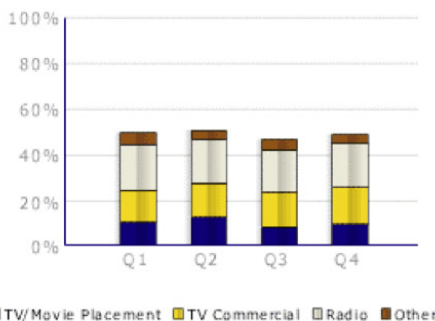
Market Share



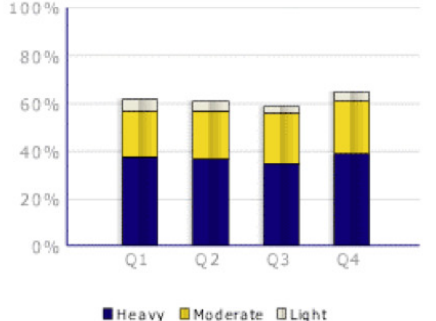
Brand Commitment



Source of Ad Awareness



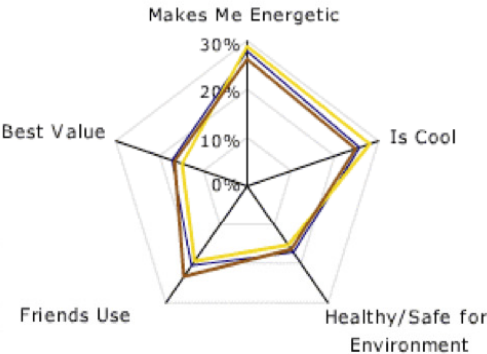
Frequency Profile



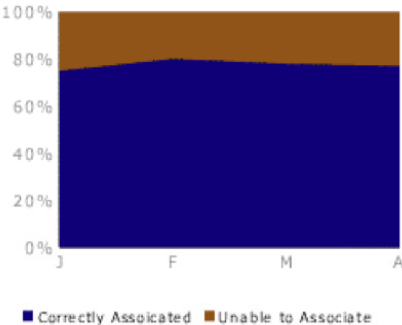
Status:

The current average position of all brands across the globe is strong considering recent upward pressure on cost from the rise in oil prices and political instability. General brand strength and advertising awareness continues to track favorably versus major competing brands worldwide.

Brand Attributes



Message Association



Repeat Purchase



## Objective 2: Creating “Generally Accepted Brand Valuation Standards

- What's needed
  - **A game plan:** That's why we're in Austin
  - **Resources:** That's what ANA brings to the table



# Resources

- MASB Leadership & Members
  - Academics
  - Researchers
  - Marketers

# Resources

- ANA
  - We have stage to share story:
    - ANA Board of Directors
    - Senior Marketer's Think Tank
    - Brand Management Committee
    - ANA Conferences, Member meetings
  - ANA can help bring others to the table
  - Financial? Maybe...



# Resources

- ANA is bringing others to the table
  - Interbrand
  - Milward Brown
  - 4A's
  - ARF
  - Joel Robinson: former ARF Chief Research Officer
  - Roger Sinclair
  - Prophet





## Objective 3

To determine if brand value should hold a higher place of marketplace recognition in the financial community



# Objective 3

- We're not ready to have that discussion
  - No sense of urgency among marketers.  
Some fear...
  - Messy: may involve tax implications
  - Cart before the horse?

# Time to **Get Going**

**Don't you think??**





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