

# Warm-Up

## What's Been Accomplished What Lies Ahead

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St Pete, FL



Marketing Accountability Standards Board  
of the Marketing Accountability Foundation

# Preparation

- **August 2004: Growing Demand for Accountability**
  - Handful of industry academics & practitioners
  - Saw opportunity to increase contribution of Marketing
  - Through development of standard metrics & processes
  - Linking marketing activities to firm's financial performance
- **Comprehensive Review (Sept 2004 – Sept 2007)**
  - Study over 3 year period
  - Current practices
  - Needs
  - Accountability initiatives underway



# An Analogy: The Quality Movement

## Marketing is where quality was 50 years ago

- Highly idiosyncratic
- Viewed as a cost (Scrap & re-work as “Low Cost” quality substitute)
- Lacking consistent metrics
- Lacking standardized processes

## The quality movement has spent 50 years proving itself

- Developing metrics
- Creating standard processes
- Linking to financial performance (through demonstrated cost savings and higher returns in the market)
- Demonstrating its value

# Conclusions & Recommendations

- Marketing relegated to “default” category (control costs) because it lacks metrics that reliably tie activities & costs to corporate return
- Standards across industry/domain, and transparent process to develop & select metrics will be necessary to emerge from current situation
- Market unlikely to achieve consensus on its own
- Need for industry level “authority” to establish standards & ensure relevancy over time
- This was true for manufacturing & product quality (with ANSI & ISO) and for accounting & financial reporting (with FASB & IASB)
- So it will be true for marketing and profitable growth (with MASB)

# The Premise & Proposition

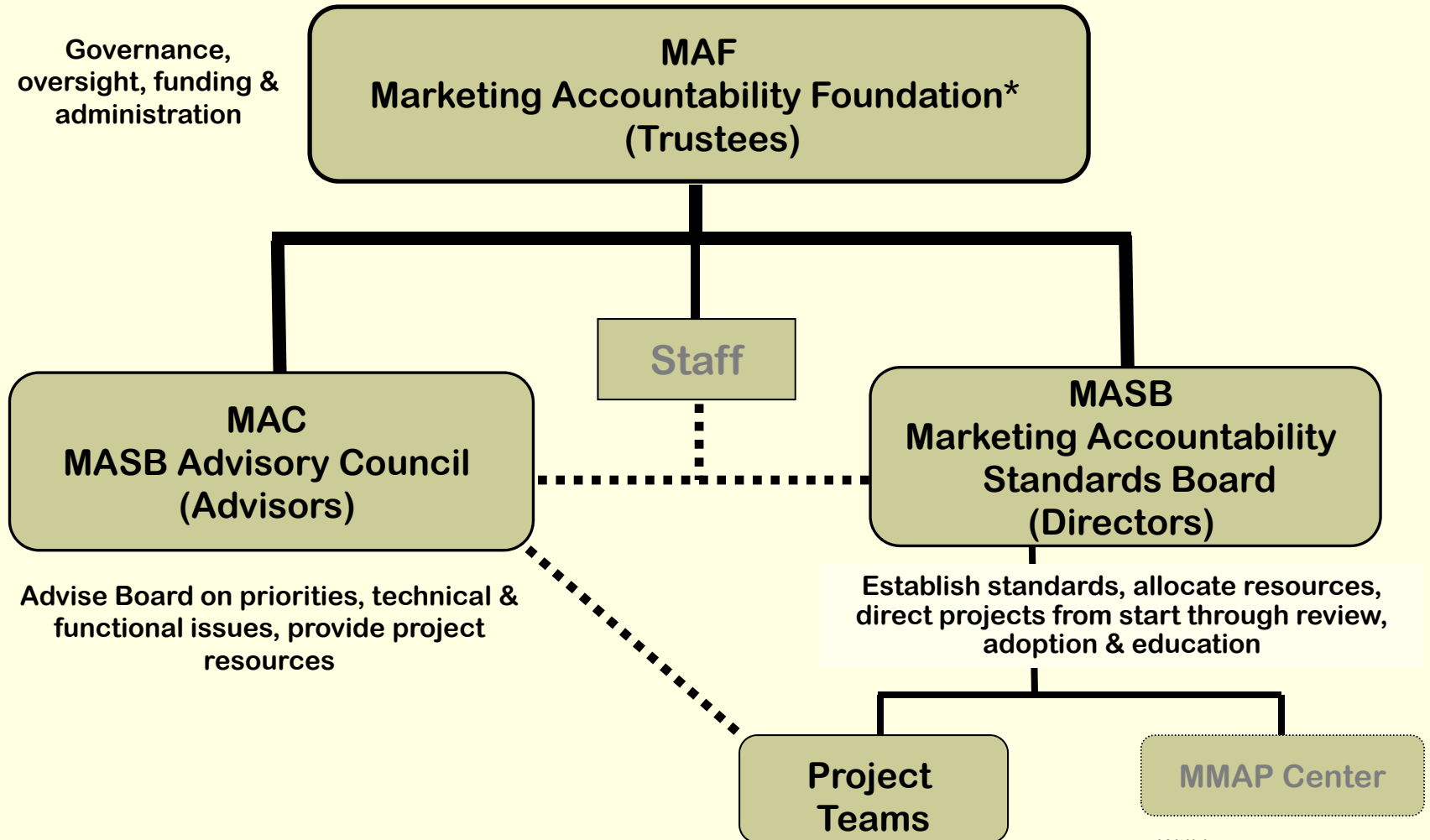
**Marketing will move from discretionary business expense to board-level strategic investment through accountability and a standards setting “authority” for measuring (forecasting & improving) the financial return from marketing activities.**

**MASB**

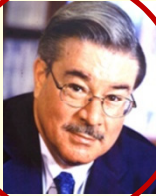
**The independent, private sector, self-governing body where marketing and finance align on measurement for reporting, forecasting and improving financial returns from buyers in markets...short-term and over time.**

**Establishing the critical “missing links” between the marketing and financial communities.**

# Organizational Structure



# MASB Directors



Stewart 04  
UCR (Chair)



Adams 08  
Foresight ROI



Kuse 08  
MMAP Center



Taylor 09  
MSI



Gugel 09  
gugelplex TV



Ciccarello 09  
ConAgra



Flugel 09  
At Large



Reibstein 10  
Wharton



Stacey 10  
Stern



Farris 10  
Darden



Richardson 10  
Kimberly-Clark



Mitra 10  
Coca-Cola



Palmer 10  
ANA



Powers 11  
ARF



Canter 11  
Nielsen

# MAC Advisors



Hanssens 06  
UCLA (Chair)



Winer 08  
Stern



Lehmann 08  
Columbia



Kumar 09  
At Large



Bucklin 09  
UCLA



Batra 09  
U of M



Mizik 09  
At Large



Wind 10  
Wharton



Allen 10  
Darden



Fischer 11  
U of Cologne



Gregory 11  
CoreBrand



Donahue 11  
4As



Moulton 11  
Nielsen



Sexton 11  
Columbia



McAlister 11  
UTA



Mane 11  
IAB



Costopoulos 11  
AMA

# Foundation Trustees



Blair 04  
MAF/MASB



Barns 04  
Nielsen



Sirkin 04  
SMG



Plummer 06  
Columbia



Tisor 07  
At Large



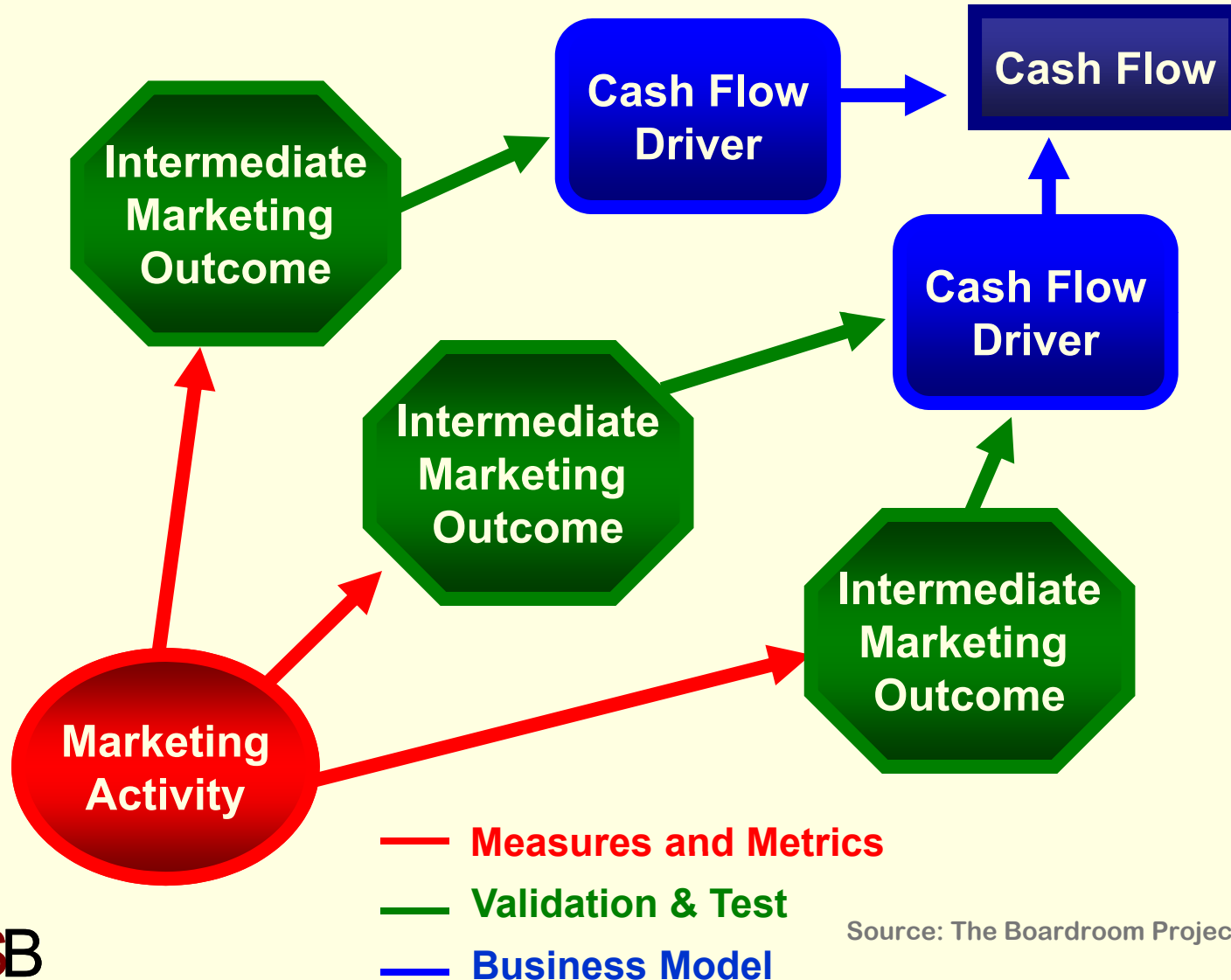
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ANA

**First 6 now in place, recruiting others**

# Key Projects Completed & Posted

- The Long-Term Impact of Advertising, What is Known
- Marketing Productivity, Effectiveness & Accountability
- Objectives of Marketing Standards
- Academic Review: Role of Standards
- C-Level Views on Marketing Accountability
- Methods of Brand Valuation
- Measuring (Forecasting & Improving) the Return from TV
- Practices Underlying Ideal Metrics
- Rationale & Proposed Principles for Brand Valuation
- 28 Articles & Presentations
- 9 Two-Day Summits
- Marketing Metric Audit Protocol - MMAP

# MMAP: Marketing Metric Audit Protocol



# Key Projects On-Going & Underway

## ■ On-Going

- MMAP Marketing Metrics Catalogue (Friday)
- Common Language on Wikipedia (Friday)

## ■ Underway

- Customer Lifetime Value for CPG (Friday)
- Measuring Return from Interactive (Friday)
- The MASB Book I (Friday)

# The Game Changers (Today)

**MASB  
Project**

**AM Guest  
Speakers**

**BIV  
Brand Investment  
& Valuation\***

**Brand represents  
great Value**

**Ivan Cayabyab**

**IFR  
Improving Financial  
Reporting**

**Intangibles >80%  
of Corp Value  
(need better info)**

**Bob Laux**



# Thank-you!



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