
MASB **Standards Project**

MMAP Marketing Metrics Catalogue

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Marketing Accountability Standards Board
of the Marketing Accountability Foundation

Other MASB Projects

Project	Metrics Catalogue MMAP Audits (Measuring)
Issue Addressed	Costly activities have few proven metrics predictive of “return”
Project Objective	Profile Metrics w/info re predictive validity to market impact & financial return
Expected Outcome	Assessments of metric usefulness in predicting market & financial metrics
When	2009/11/12 On-Going

MMAP: Marketing Metric Audit Protocol

While marketing does not lack measures, it lacks standard metrics explicitly linked to financial performance in predictable ways

Cash flow is the ultimate metric to which every business activity, including marketing, should be causally linked through the validation of intermediate metrics

The process of validating the intermediate outcome metrics against short-term and long-term cash flow drivers is necessary to facilitate forecasting and improvement in return

Source: MASB 2009

MMAP: Marketing Metric Audit Protocol

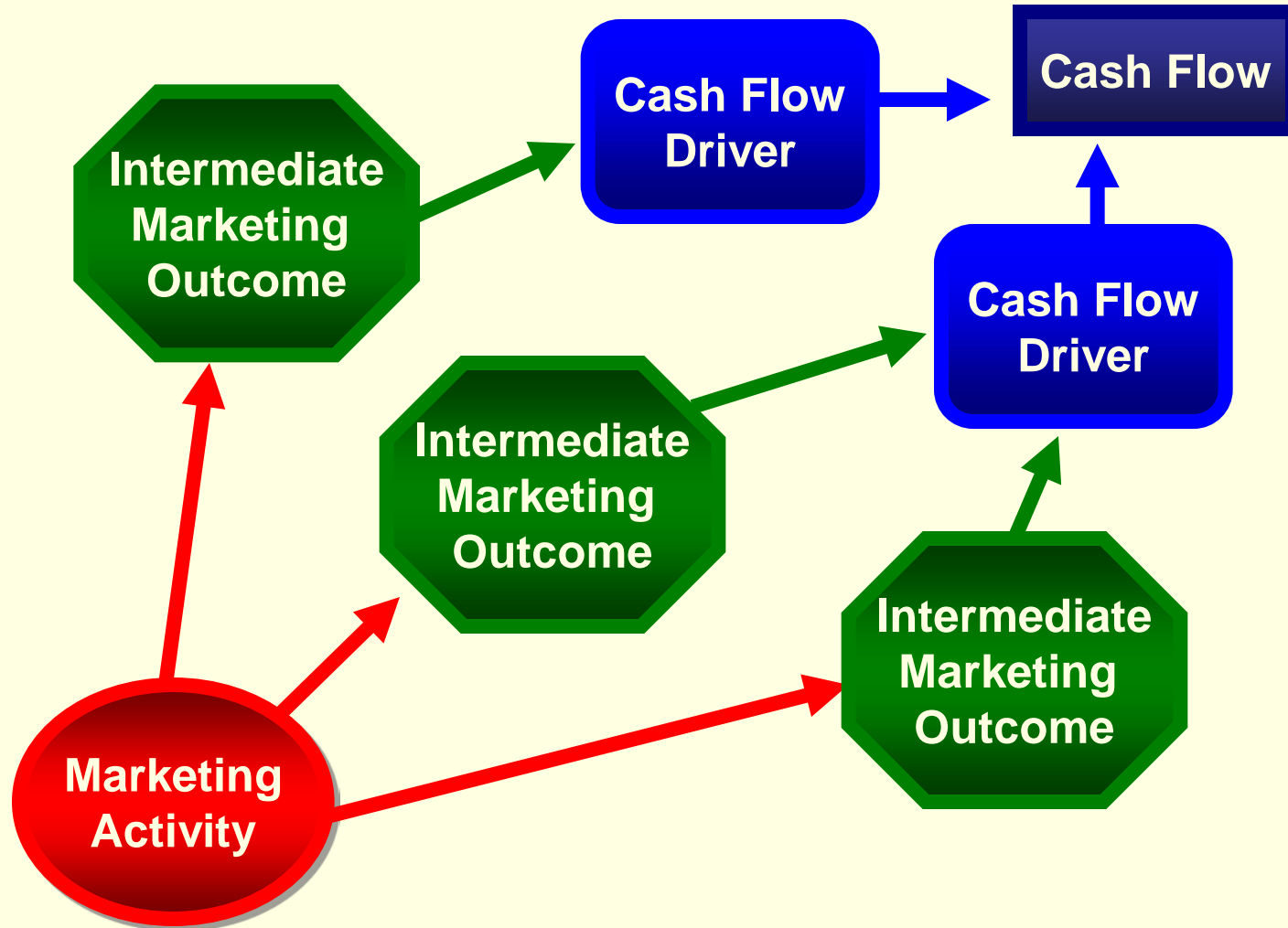
MMAP is a formal process for connecting marketing activities to the financial performance of the firm

The process includes conceptually linking marketing activities to intermediate marketing outcome metrics to cash flow drivers

The process also examines validation , causality and other characteristics of an ideal metric

Source: MASB 2009

MMAP: Marketing Metric Audit Protocol



The MMAP Audit

Dimensions audited

Provider

Definition

Source Data

How Derived

How Used/Activities

Strengths

Limitations

Relationship to Financial Metrics

How Does It Meet 10 MMAP Characteristics of an Ideal Metric?

How Does It Fit Guidelines for Marketing Productivity Measures?

Source Documents

MMAP: 10 Characteristics of an Ideal Metric

- 1. Relevant...addresses specific (pending) action**
- 2. Predictive...accurately predicts outcome of (pending) action**
- 3. Objective...not subject to personal interpretation**
- 4. Calibrated...means the same across conditions & cultures**
- 5. Reliable...dependable & stable over time**
- 6. Sensitive...identifies meaningful differences in outcomes**
- 7. Simple...uncomplicated meaning & implications clear**
- 8. Causal...course of action leads to improvement**
- 9. Transparent...subject to independent audit**
- 10. Quality Assured...formal/on-going processes to assure 1-9**

Source: The Boardroom Project 2006

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MMAP: Guidelines for Measures of Productivity

MMAP includes twelve guidelines to determine the capability of a metric to measure return on marketing investment, which is inherently a financial construct:

- **Provide a specific link to financial performance, no measure or measurement system is complete without one**
- **Provide information for guiding future decisions by predicting future economic outcomes**
- **Distinguish between measures of outcome and measures of effort**
- **Document with sufficient detail to allow a knowledgeable user to understand the metric's utility and make comparisons among alternative measures**
- **And eight more....**

Source: Stewart 2008

1. MMAP Audits (Known Challenge)



APM Facts



CoreBrand



Blue Marble

Only 3 providers have gone through the MMAP Audit...
learning the basics of measurement development...
metrics that reliably predict market impact & financial return...
on behalf of marketers...and their investors.

A Project Team?

Why go through the MMAP Audit?

- Determine how well your metric fits the MMAP standards
- Learn how to develop & manage an “ideal metric”
 - 10 Characteristics
 - Including reliability and predictive validity
 - Example of an “ideal metric”
 - Practices & Processes utilized by others
- Do it on behalf of your marketing customers
 - To help them forecast & improve financial performance
 - Before it is a requirement (competitive advantage)

In time, firms will require and rely on the audits to select marketing metrics that will help them forecast & improve market impact & financial performance.

Next Steps

- **Revise the emerging issue documentation for the Marketing Metric Catalogue Project (Feb)**
- **Review/approve w/MASB Directors and Chair (Mar)**
- **Recruit Leaders and Form Project Team to determine how to get more metric providers to go through the MMAP audit process (Mar – April)**



Thank-you!



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