THE MARKETING VALUE CHAIN PROVING THE CONTRIBUTION OF MARKETING TO THE BUSINESS



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Steve Shannon

CHALLENGE: BUILD FINANCIALLY CREDIBLE MEASURES OF MARKETING'S VALUE

THE FINANCIAL CONTRIBUTION OF MARKETING TO THE ENTERPRISE

BRAND VALUE

CUSTOMER EQUITY ORGANIZATIONAL COMPETENCE

MARKETING EFFECTIVENESS DIGITAL PLATFORMS

QUALITY OF PEOPLE & PRODUCTS



A 10% increase in the value of the brand will drive a 3.3% increase in stock price²



A 10% increase in the value of customer assets will drive a 7.2% increase in stock price²



A 10% increase in in organizational competence will drive a 5.5% increase in stock price²



Enterprise
initiatives aimed
at improving the
Return on
Marketing
Investment
(ROMI) Initiatives
are generating
improvements of
up to 9 percent^{2,4}



A10% increase in the effectiveness of digital channels will drive a 2.2% increase in stock price³



A 10% increase in perceptions of product quality will drive a 3% increase in stock price^{2,3}

Source: 1) Brand Value as a Percentage of Marketing Capitalization. Applying the Brand Investment and Valuation Model. Analysis of Meier, Findley, Stewart. Marketing Accountability Standards Board. 2017 2) Marketing's Impact on Firm Value: Generalizations from a Meta Analysis, AMA, Alexander Edeling and Marc Fischer, Journal of Marketing Research 2016, 3) Empirical Generalizations About Marketing Impact, Hanssens, Marketing Science Institute 4) the Marketing Accountability Standards Board CIR Initiative, 2018.

GOAL: MARKET THE FINANCIAL CONTRIBUTION OF MARKETING TO MANAGEMENT AND THE BOARD

THE FINANCIAL CONTRIBUTION OF MARKETING TO THE ENTERPRISE

BRAND VALUE CUSTOMER EQUITY ORGANIZATIONAL COMPETENCE

MARKETING EFFECTIVENESS

DIGITAL PLATFORMS

QUALITY OF PEOPLE
& PRODUCTS













18 STRATEGIC VALUE DRIVERS OF ENTERPRISE VALUE

BRAND ASSETS CUSTOMER SATISFACTION

ORGANIZATIONAL KNOWLEDGE SHARING

MARKETING EFFECTIVENESS OWNED DIGITAL MEDIA PERFORMANCE EMPLOYEE TALENT LEADERSHIP AND ENGAGEMENT

BRAND PREFERENCE CUSTOMER LOYALTY

INTER -DEPARTMENTAL CONNECTEDNESS

SALES AND SERVICE EFFECTIVENESS

DIGITAL CHANNEL PERFORMANCE

PERCEPTIONS OF INNOVATION

BRAND MOMENTUM **CUSTOMER RELATIONSHPS**

ORGANIZATIONAL MEASUREMENT CAPABILITIES

CHANNEL REACH, SHARE AND PERFORMANCE

DIGITAL EXPERIENCE

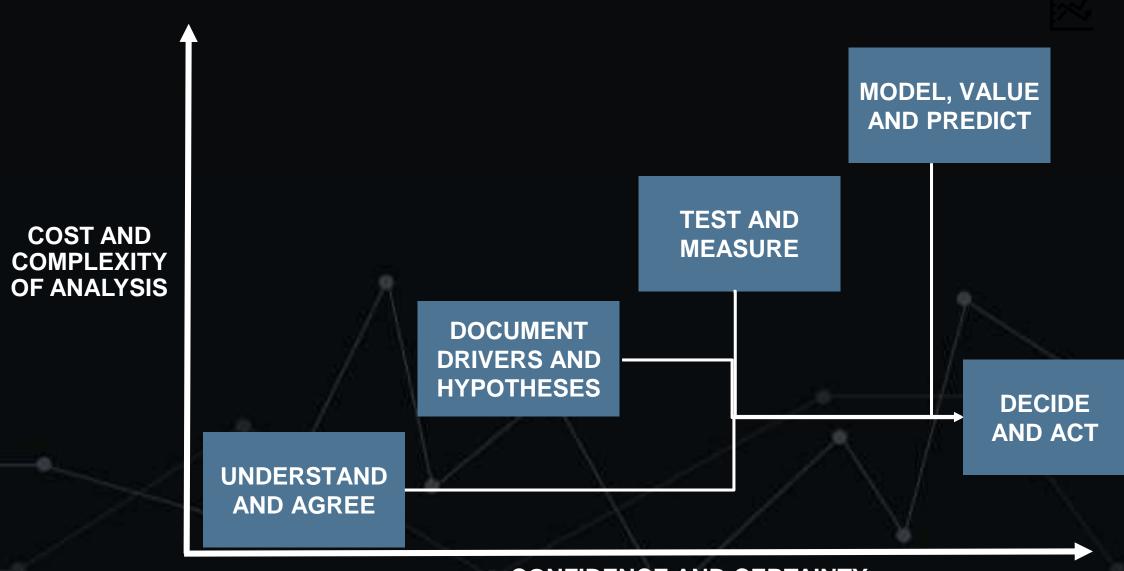
PRODUCT & SERVICE QUALITY

A FRAMEWORK FOR CONNECTING MARKETING INVESTMENTS AND ACTIONS TO FIRM FINANCIAL PERFORMANCE AND ENTERPRISE VALUE

THE MASB MARKETING VALUE CHAINSM

ACTIONS AND INVESTMENTS	-	KEY DRIVERS OF VALUE	-	CUSTOMER BEHAVIOR	BUSINESS OUTCOMES	FIRM FINANCIAL PERFORMANCE
PAID, OWNED AND EARNED MEDIA		BRAND VALUE		PURCHASE DECISIONS	VOLUME	ENTERPRISE VALUE
OWNED MARKETING INFRASTRUCTURE		CUSTOMER RELATIONSHIP EQUITY		USAGE AND BUYING CYCLES	SHARE	REVENUE
PROMOTION ACTIONS		ORGANIZATIONAL COMPETENCE		CONSUMPTION FREQUENCY	LIFT	PROFITS
PLACE-DISTRIBUTION ACTIONS		SALES AND MARKETING EFFECTIVENESS (ROMI)		PURCHASE SIZE AND VOLUME	VOLATILITY	CASH FLOW
PRODUCT ACTIONS		DIGITAL PLATFORM EFFECTIVENESS		SHARE OF TRANSACTIONS	VELOCITY	GROWTH RATE
PRICING ACTIONS		QUALITY OF PRODUCTS AND PEOPLE		RESPONSE AND CONVERSION RATES	PROFIT MARGINS	BRAND ASSET VALUE
CAPABILITY DEVELOPMENT				REFERRALS AND WOM	CUSTOMER ECONOMICS	COST OF SALES
COMPETITIVE, BRAND, & ACQUISITION STRATEGY				LOYALTY	COSTS	COST OF CAPITAL
				PRICE SENSITIVITY	FUTURE OPTION VALUE	

A ROADMAP FOR CONTINUOUS IMPROVEMENT IN RETURN



CONFIDENCE AND CERTAINTY

MILLER COORS EXAMPLE

THE MASB MARKETING VALUE CHAINSM

ACTIONS AND INVESTMENTS	•	KEY DRIVERS OF VALUE	•	CUSTOMER BEHAVIOR	•	BUSINESS OUTCOMES	•	FIRM FINANCIAL PERFORMANCE
PAID, OWNED AND EARNED MEDIA		BRAND VALUE		PURCHASE DECISIONS		VOLUME		ENTERPRISE VALUE
OWNED MARKETING INFRASTRUCTURE		CUSTOMER RELATIONSHIP EQUITY		USAGE AND BUYING CYCLES		SHARE		REVENUE
PROMOTION ACTIONS		ORGANIZATIONAL COMPETENCE		CONSUMPTION FREQUENCY		LIFT		PROFITS
PLACE-DISTRIBUTION ACTIONS		SALES AND MARKETING EFFECTIVENESS (ROMI)		PURCHASE SIZE AND VOLUME		VOLATILITY		CASH FLOW
PRODUCT ACTIONS		DIGITAL PLATFORM EFFECTIVENESS		SHARE OF TRANSACTIONS		VELOCITY		GROWTH RATE
PRICING ACTIONS		QUALITY OF PRODUCTS AND PEOPLE		RESPONSE AND CONVERSION RATES		PROFIT MARGINS		BRAND ASSET VALUE
CAPABILITY DEVELOPMENT	^			REFERRALS AND WOM		CUSTOMER ECONOMICS		COST OF SALES
COMPETITIVE, BRAND, & ACQUISITION STRATEGY				LOYALTY		COSTS		COST OF CAPITAL
				PRICE SENSITIVITY		FUTURE OPTION VALUE		

EDO YEXT FOURSQUARE HYLINDAI







Steve Shannon

About Steve Shannon



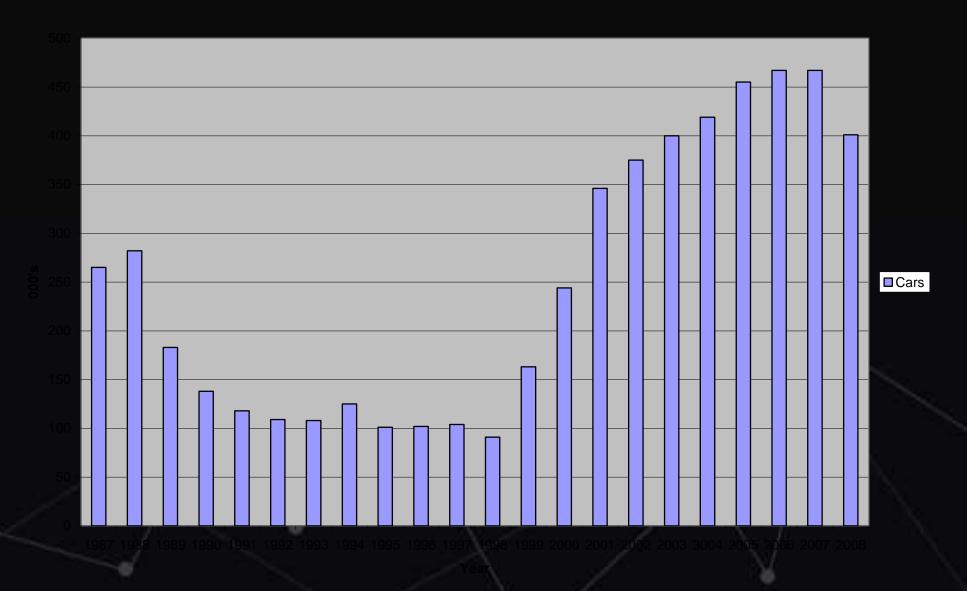
- Former CMO of Hyundai Motor America and 32-year veteran of the auto industry including Cadillac, Buick, Saab, and Saturn brands
- Led multiple Super Bowl, Oscar, Grammy and NCAA
 Football programs, and an award-winning integration with The Walking Dead
- Currently advisor to:
 - Yext digital knowledge management platform
 - Foursquare location data platform
 - EDO data science solution for optimizing linear TV through measuring search engagement
- Harvard Undergraduate and Columbia MBA

HYUNDAI EXAMPLE

THE MASB MARKETING VALUE CHAINSM

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PAID, OWNED AND EARNED MEDIA		BRAND VALUE		PURCHASE DECISIONS		VOLUME		ENTERPRISE VALUE
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CAPABILITY DEVELOPMENT				REFERRALS AND WOM		CUSTOMER ECONOMICS		COST OF SALES
COMPETITIVE, BRAND, & ACQUISITION STRATEGY				LOYALTY		COSTS		COST OF CAPITAL
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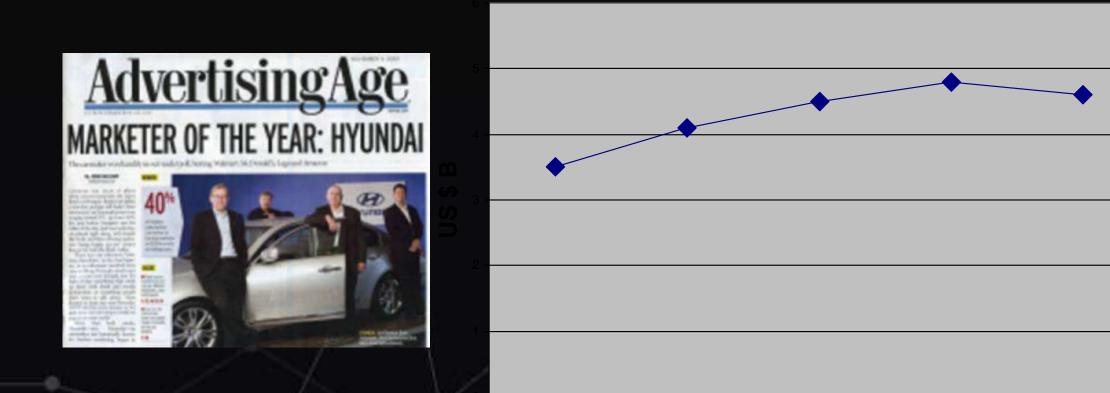
HYUNDAI US SALES



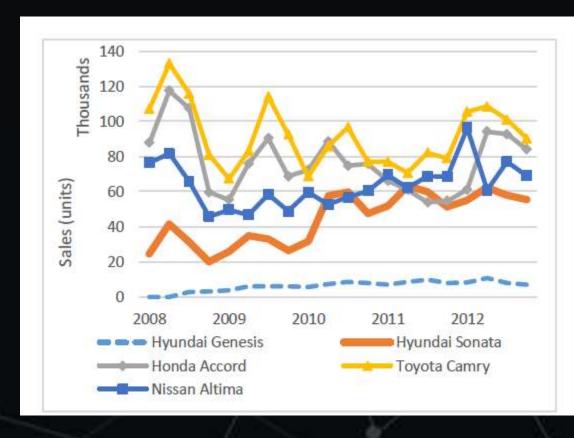
HYUNDAI BRAND VALUE OVER TIME

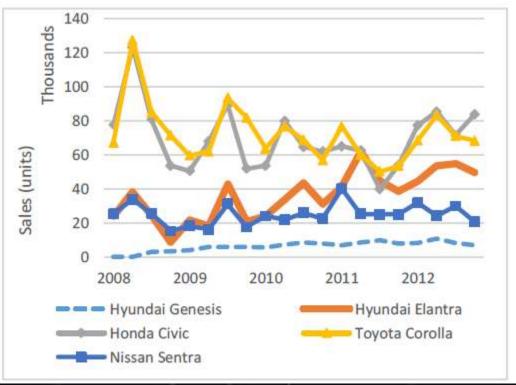
Hyundai Brand Value Over Time

→ Hyundai



FUTURE OPTION VALUE OF BRAND EXTENSION – SHARE GAINS





FUTURE OPTION VALUE OF BRAND EXTENSION – MARGIN IMPROVMENT

