

MMAP Metric Catalog (MMC)

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Marketing Accountability Standards Board
of the Marketing Accountability Foundation



MMC Project

Project	MMAP Metric Catalog (Christiansen, Ebben)	Strategy Persuade current vendors to open black boxes and validate metrics... AND welcome new/hungrier vendors who are willing to learn and do so.
Issue Addressed	Costly activities have few proven metrics predictive of “return”	
Project Objective	Persuade metric providers to undergo MMAP process/audit; populate Catalog	
Expected Outcome	More metrics that will help marketers make better decisions and improve return	
When	Ongoing	

MMAP Metric Catalog on theMASB.org

MMAP Metric Catalog

Comparing Marketing Metrics with Confidence

MASB's [Marketing Metric Audit Protocol](#) (MMAP) is a formal process for connecting marketing activities to the financial performance of the firm. It includes the conceptual linking of marketing activities to intermediate marketing outcome metrics to cash drivers of the business, as well as an audit as to how the metrics meet the validation & causality characteristics of an ideal metric. The MMAP assessment has been used over the past five years with many marketers benefitting. [MMAP ENDORSEMENTS](#)

MMAP Metric Catalog on theMASB.org

Marketing Performance Metrics Profiled According to MMAP

[MASB Membership Required for Access]

CURRENT ASSESSMENTS (valid for 3 years)

Kantar Millward Brown [Meaningfully Different Framework](#)

MSW•ARS Research [CCPersuasion](#)

Behavioral Science Lab [BrandEmbrace](#)

Kantar Millward Brown [Link Copy Test](#)

Nielsen [BASES](#)

MSW•ARS Research [Brand Preference/Choice In Tracking](#)

PAST ASSESSMENTS

CoreBrand [Equity Construct](#)

Blue Marble Enterprises [Customer Equity/Customer Lifetime Value](#)

ARS Group [APM Facts](#)

MMAP: Terms & Conditions of Use (Excerpts)

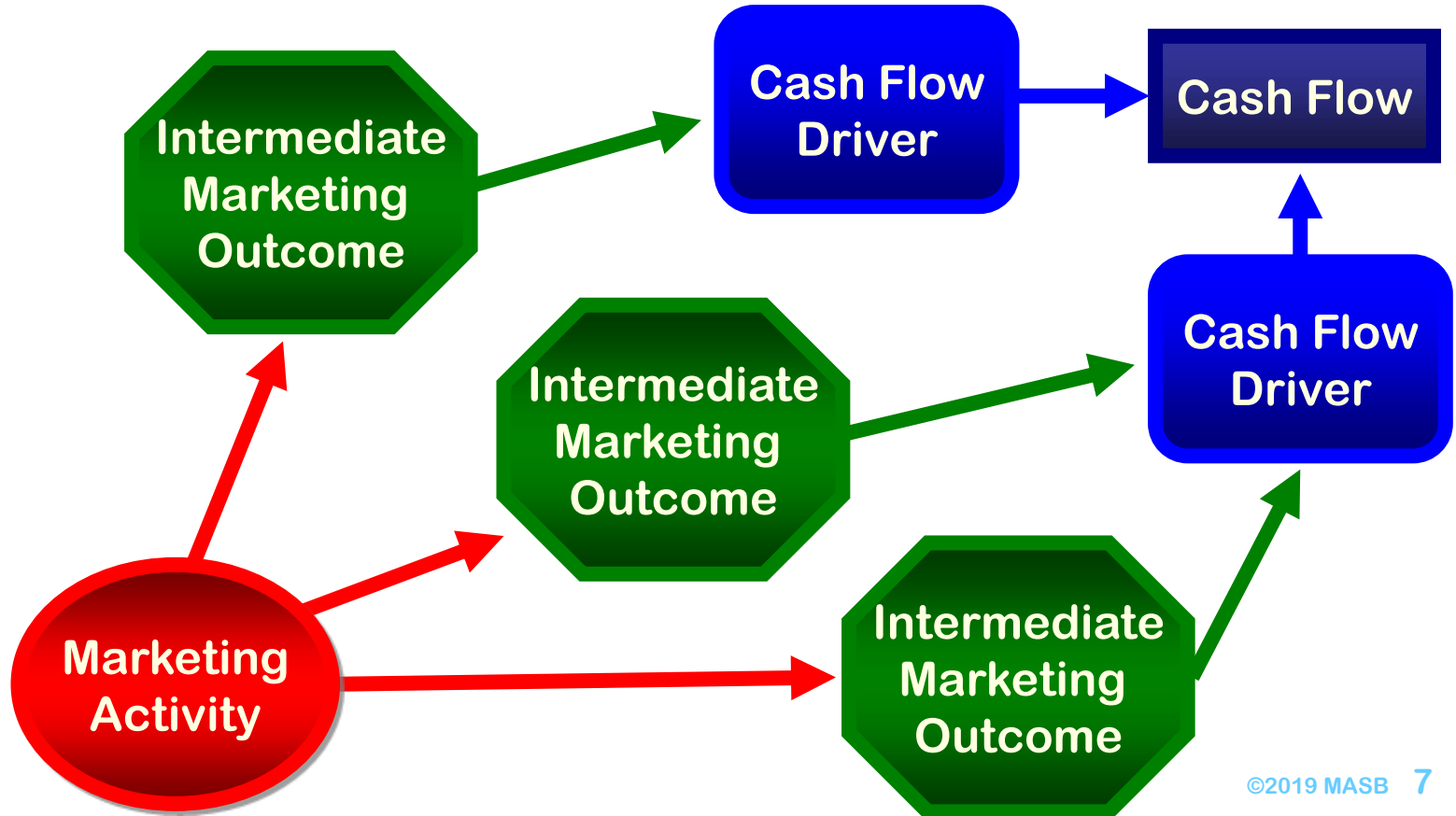
- **Conduct initial audit**
- **Annually provide documentation on where the logo was used along with an estimate of the potential audience reach.**
 - **Examples: corporate internal communications, external customer communications, websites, etc.**
- **Participate in an annual survey regarding any changes to the service that was audited**
- **Resubmit for review every three years even if changes were not made to ensure continued strength of relationships**

The MMAP Certification Seal



- It is a certification not an accreditation
- Certifications independently verify that the claims have been demonstrated by the technique
 - We REQUIRE a connection to financial outcomes
 - This is unique in the marketing industry
- Accreditations require that the technique is consistently performed (to an established minimal level)
 - They do not require a connection to financial outcomes

MMAP: Conceptual Linking



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

Relaunched MMAP as Certification

Marketing Performance Metrics Profiled According to MMAP

Kantar Millward Brown	MDF Metrics	2018
MSW Research	CCPersuasion	2018
Behavioral Science Lab	BrandEmbrace	2018
Kantar Millward Brown	Link Metrics	2017
Nielsen	BASES	2016
MSW•ARS Research	Brand Preference	2016
Tenet Partners	CoreBrand	2012/2014
Blue Marble Enterprises	CE/CLV	2012
ARS Group	APM Facts	2011

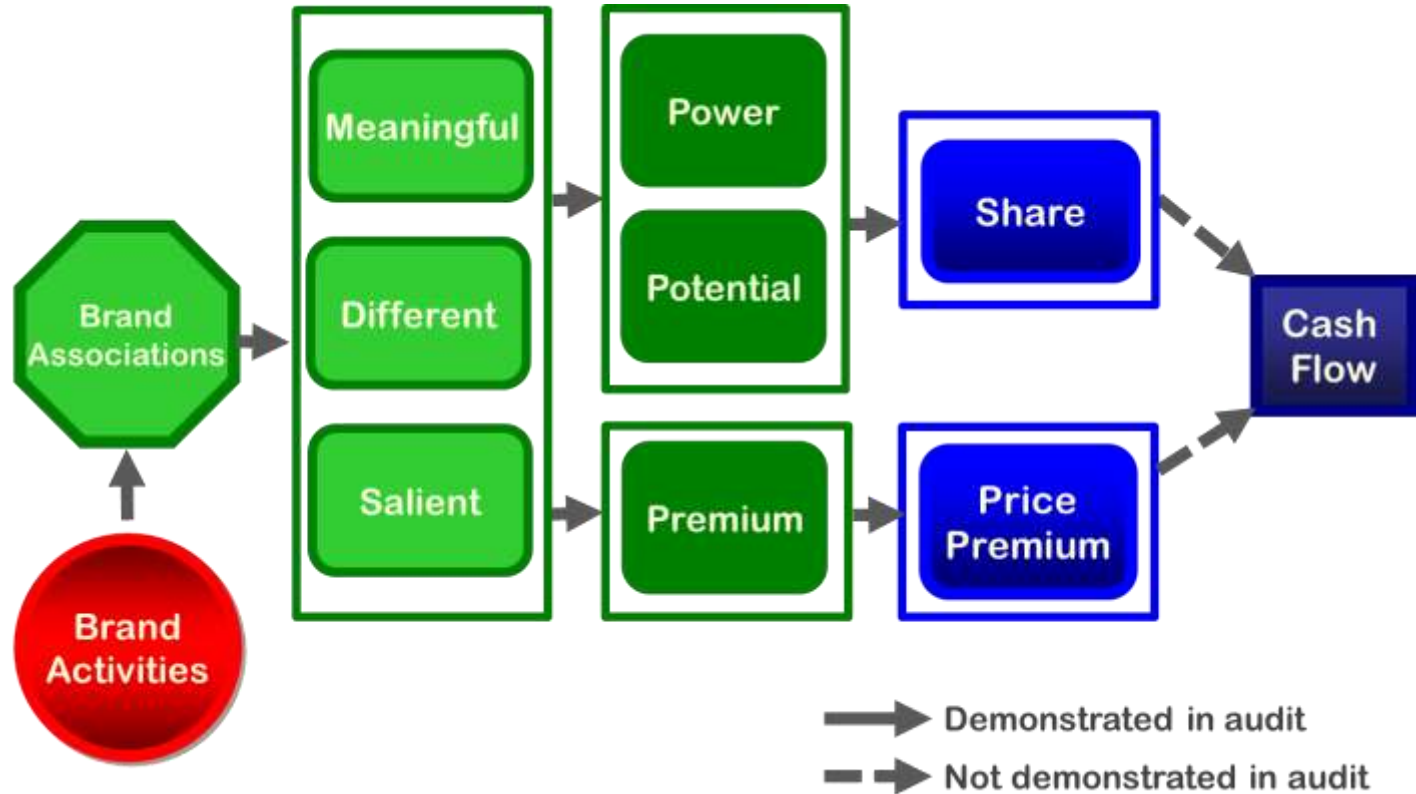
Record pace
& acceptance



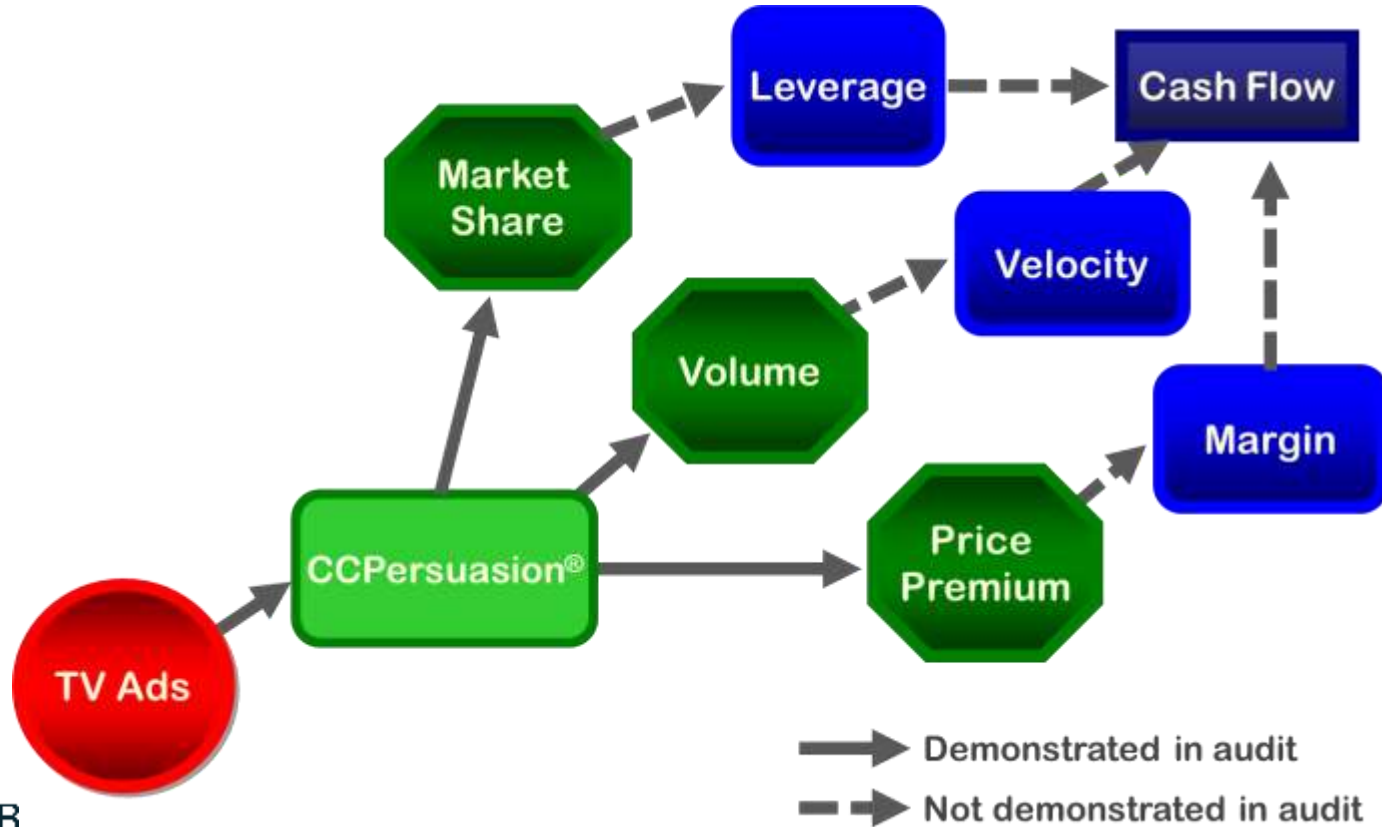
MASB Certified Award **NEW!**



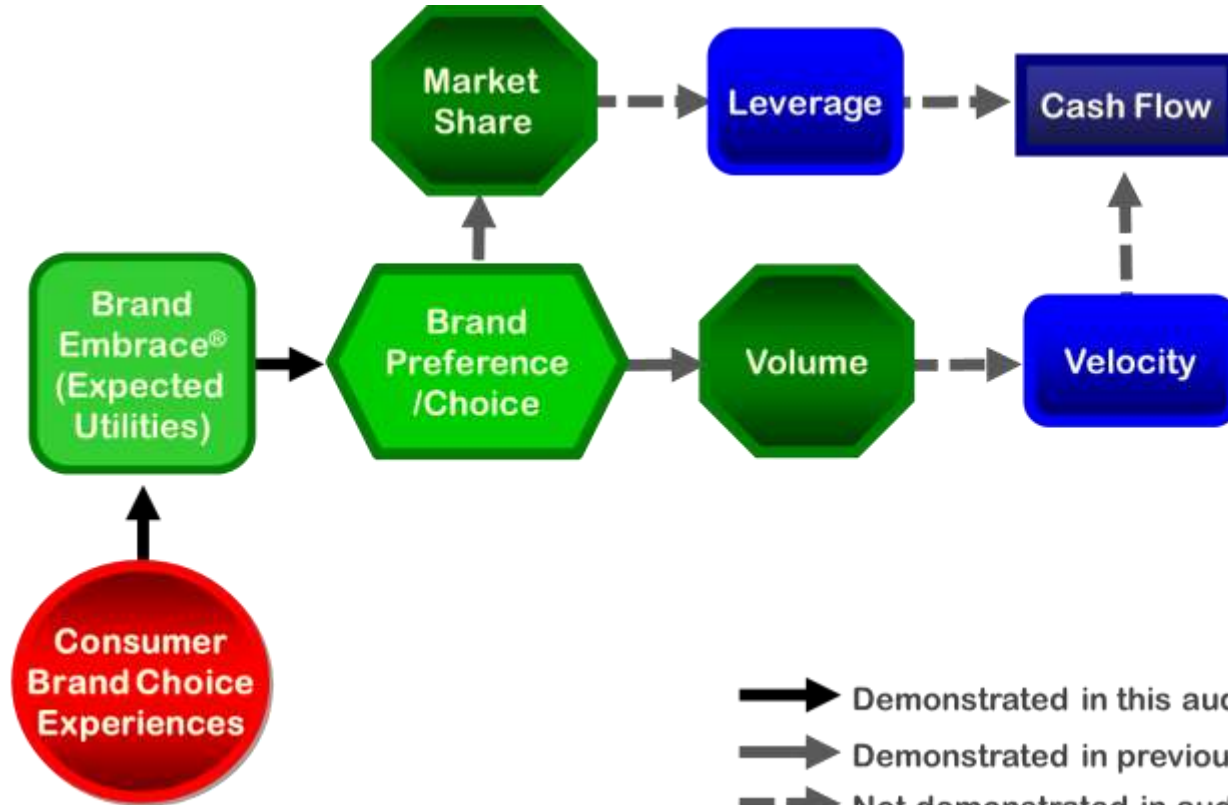
Kantar - Meaningfully Different Framework Metrics



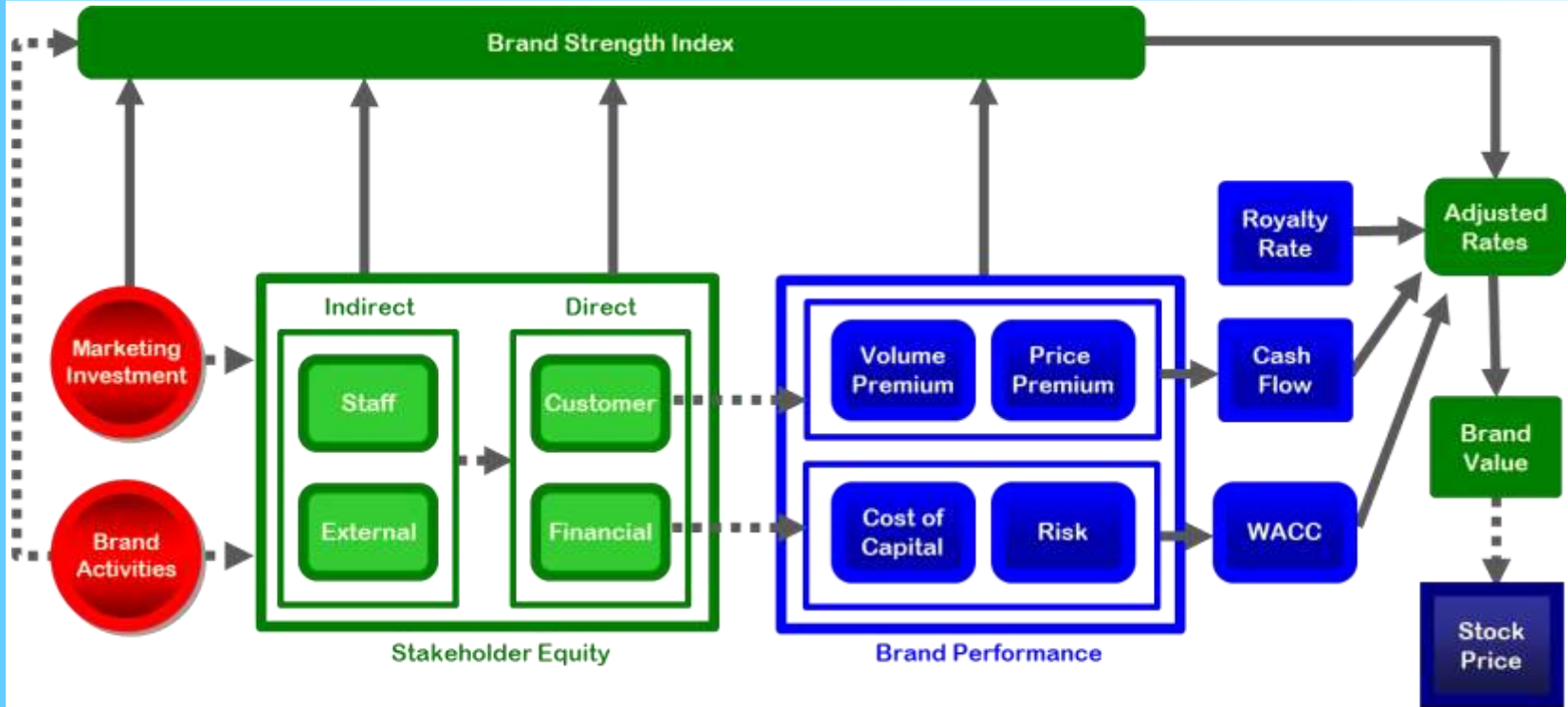
MSW Research – CCPersuasion[®] Measure



Behavioral Science Lab – BrandEmbrace®



Brand Finance - Brand Strength Index & Brand Value



—————> Demonstrated in audit

.....> Not demonstrated in audit



Brand Valuation, Brand Strength Index & League Tables

Laurence Newell

MASB Summit – 27 February 2019

Brand Finance - Bridging the gap between marketing and finance

- Founded in 1996, and the world's leading independent value-based brand strategy consultancy.
- Brand Finance exists to help better understand brands' effect on customers and other stakeholders.
- We help organise marketing teams and processes, evaluate marketing activities, and support investment cases.
- We create the annual Brand Finance Global 5,000 Brand Valuation Database, which is widely publicised in news media worldwide.

We are headquartered in London



We are present in over 20 countries





Calculating Brand Value

1



Brand Strength Index (BSI)

2



Brand Impact (Royalty Rate)

3



Forecast Revenues

4



Brand Value

Explanation:

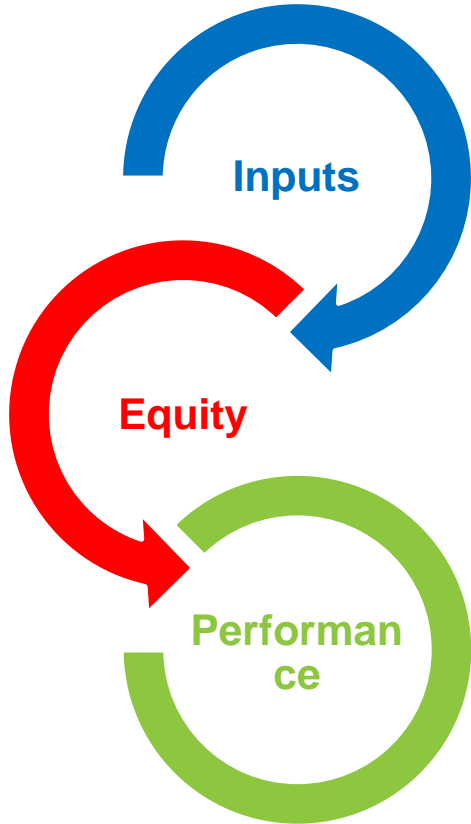
The index calculates a score expressed out of 100.

The BSI score is applied to a sector royalty range to identify the brand's rate.

The royalty rate is applied to forecast revenues to derive *brand earnings*.

Post-tax brand revenues are discounted to a net present value.

Understanding the Brand Strength Index Pillars



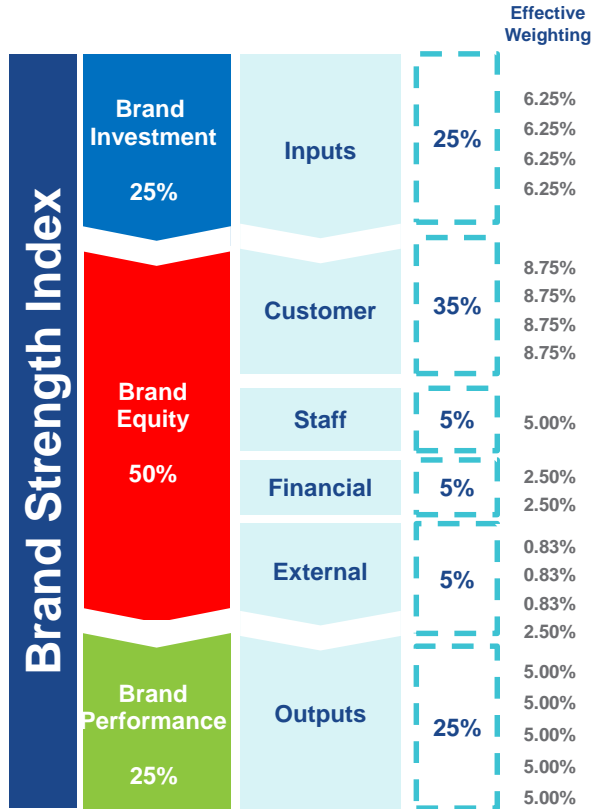
Inputs : Equity

- High brand investment should drive better brand equity in the future
- If it does not there may be an issue with the effectiveness of brand/marketing strategy

Equity : Performance

- Strong brand equity should lead to better brand-related business performance
- If it does not the brand may not be applied effectively, for example on the wrong products/services, at the wrong price or through the wrong channels

In all our Brand Valuations we create a Brand Scorecard which benchmarks your brand investment, equity, and performance against competitors



Source		Brand 1	Brand 2	Brand 3	Brand 4	Brand 5	Brand 6
Bloomberg	Product	Yellow	Green	Red	Orange	Red	Orange
	Place	Red	Orange	Orange	Orange	Yellow	Yellow
	Price	Green	Green	Green	Green	Green	Green
	Promotion	Orange	Green	Red	Green	Yellow	Green
Brand Finance®	Familiarity	Yellow	Yellow	Green	Green	Green	Green
	Consideration	Yellow	Yellow	Red	Yellow	Green	Green
	Preference	Orange	Green	Green	Orange	Green	Green
	Recommendation	Green	Yellow	Red	Green	Green	Green
CSRHUB®	Employee Score	Green	Green	Green	Green	Yellow	Yellow
S&P Global	Credit Rating	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Bloomberg	Analyst Recommendation	Yellow	Yellow	Yellow	Orange	Red	Orange
CSRHUB®	Environment Score	Green	Green	Green	Green	Yellow	Green
	Community Score	Green	Yellow	Yellow	Yellow	Yellow	Yellow
	Governance Score	Green	Green	Green	Green	Orange	Yellow
Brand Finance®	Reputation	Green	Yellow	Orange	Green	Orange	Yellow
Brand Finance®	Loyalty	Orange	Orange	Orange	Yellow	Orange	Orange
	Current Revenue	Orange	Green	Red	Orange	Green	Green
Bloomberg	Current Margin	Orange	Orange	Orange	Orange	Orange	Orange
	Forecast Revenue	Yellow	Green	Green	Yellow	Yellow	Green
	Growth	Yellow	Green	Green	Yellow	Yellow	Green
	Forecast Margin	Orange	Orange	Orange	Yellow	Orange	Yellow

Brand Equity Research 2018-19

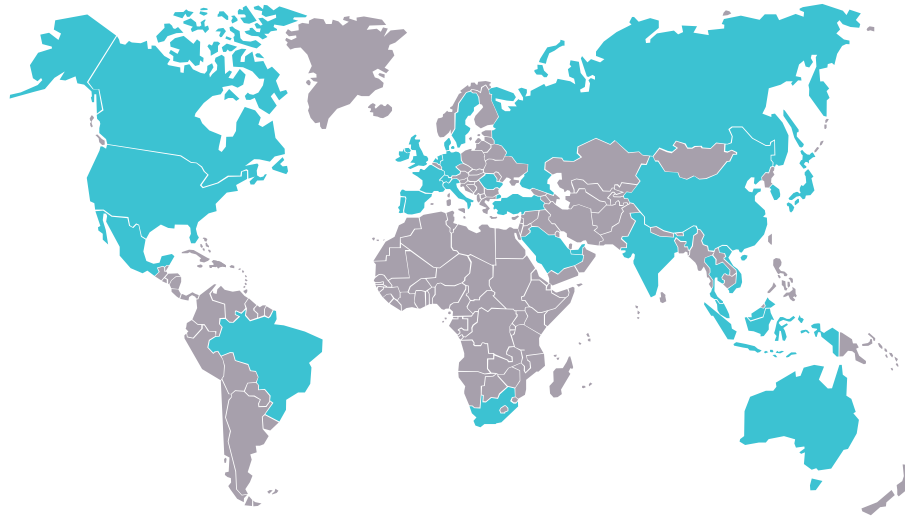
Original market research in 31 countries and across 10 sectors in October 2018.

Methodology

Online sample of the general population
- Broader brand reputation is the focus of our public valuations

Sample sizes:
~50,000

- Banks
- Telecoms
- Airlines
- Technology
- Insurance
- Utilities
- Cars & Tyres
- Hotels & Leisure
- Beer
- Oil & Gas



Contributes **50%**
To the overall Brand
Strength Index Construct

Content: Brand
KPIs and
diagnostics

BRAND FAMILIARITY

*Familiarity, Consideration,
Preference*



Image & personality

*Reputation, Trust, Quality,
Value-for-money, Innovative,
etc.*



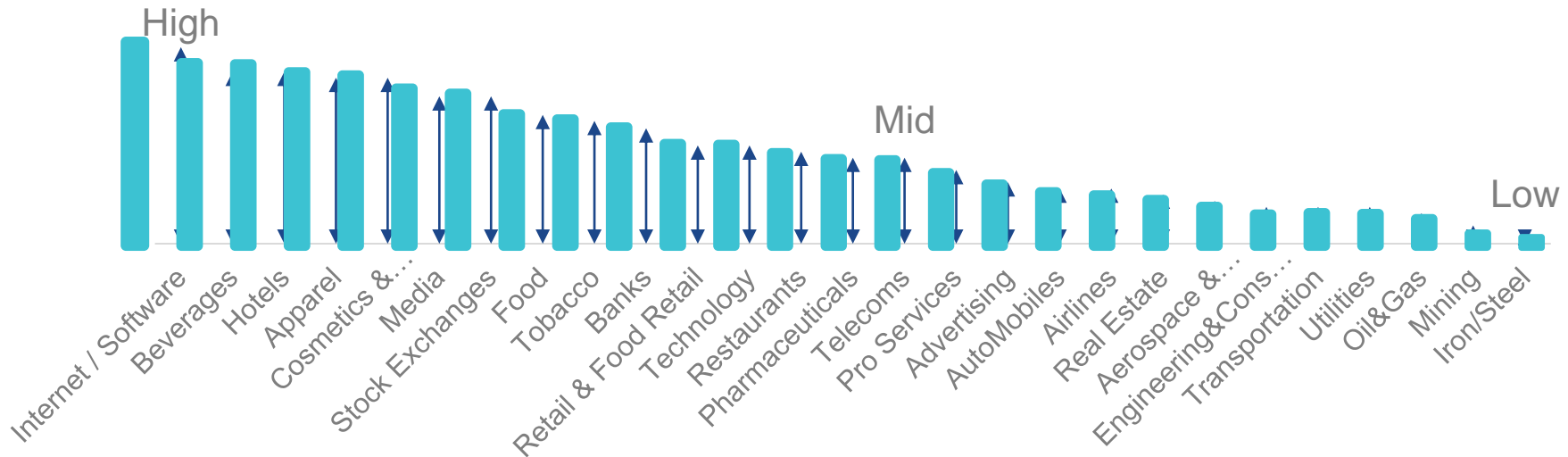
Recommendation

NPS, Word-of-mouth.

Determining the Royalty Rate: the Impact of Brand on Earnings in the Sector

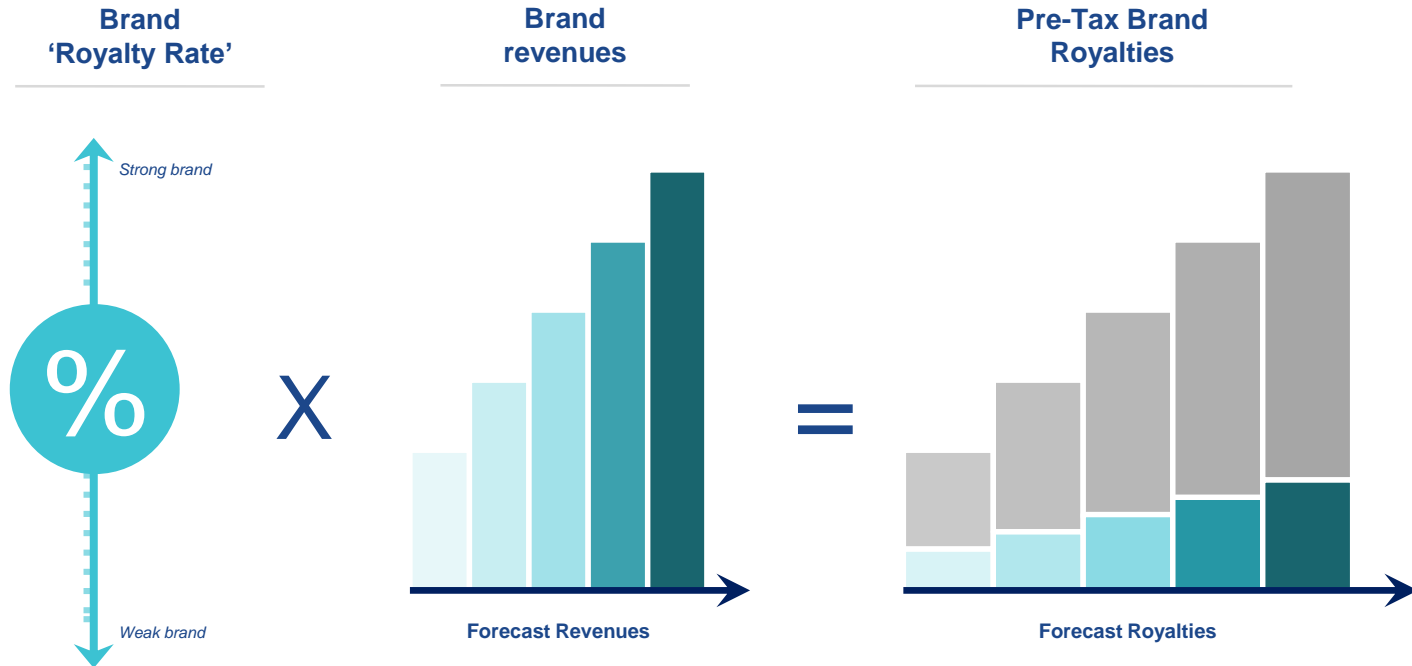
Following the OECD guidelines, Brand Finance sets the hypothetical brand royalty rate ranges by reference to three tests: **Comparable Agreements**; **Industry Margins**; **Branded Business Affordability**:

The impact of brand on earnings in each sector differs, shown below:



Applying Brand Royalty Rates

By owning the brand, a company is relieving itself of the cost of royalty payments and deriving a benefit as a result



Royalty rates are applied to overall revenues to calculate the proportion of total revenues theoretically paid to the brand owner

How Brand Value is Calculated

3: Forecast Revenues

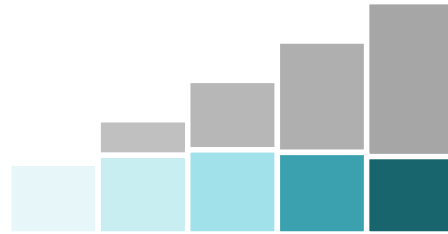
Bloomberg



Brand revenues (historic and forecast) along with other financial information were retrieved from Bloomberg.

Forecast revenues are 'sense checked' before being used in our valuations.

4: Brand Value



Discounted Forecast Royalties



The royalty rate found in step 2 is applied to the forecast revenues, corporate tax is subtracted and the post-tax revenues are discounted to present value using a discount rate arrived at through first principles.

The sum of these discounted values is the what we deem the Brand Value

Brand Valuation Schedule

The following schedule reveals the full calculation of the royalty relief brand valuation

Total Brand Value	1,666
Explicit Period	626
Perpetuity	1,040

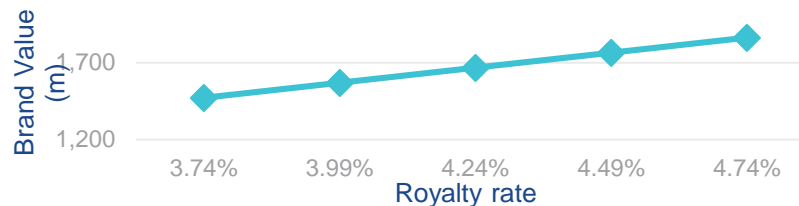
Peso	2018	2019	2020	2021	2022
Net Revenue	4,798,203,666	5,599,666,907	6,389,663,517	7,297,123,839	8,468,740,195
Net Revenue Growth	9.26%	16.70%	14.11%	14.20%	16.06%
Royalty range low	0.0%				
Royalty range high	5.0%				
BSI	84.90				
Royalty rate	4.24%				
Pre Tax Royalty		237,702,255	271,237,102	309,758,208	359,492,568
Tax	30.0%	71,310,676	81,371,131	92,927,463	107,847,770
Net Royalties		166,391,578	189,865,971	216,830,746	251,644,798
Discount Rate	14.1%				
Discount Factor		1.07	1.22	1.39	1.59
Net Present Value		155,770,866	155,780,042	155,917,669	158,588,691
Long Term Growth	4.10%				
Perpetuity					1,040,291,598

Sensitivity Analysis

Changes in Brand Value based on changes in key assumptions

Change in Brand Value based on change in 0.25% change in Royalty Rate

Royalty rate	Brand Value (m)	%Δ
	1,666	
3.74%	1,470	-12%
3.99%	1,568	-6%
4.24%	1,666	0%
4.49%	1,764	6%
4.74%	1,863	12%



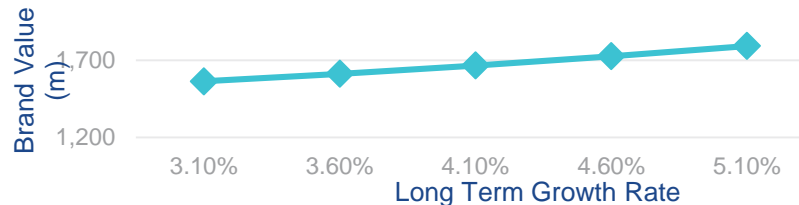
Change in Brand Value based on change in 1% change in Discount Rate

Discount Rate	Brand Value (m)	%Δ
	1,666	
12.10%	2,120	27%
13.10%	1,867	12%
14.10%	1,666	0%
15.10%	1,505	-10%
16.10%	1,372	-18%



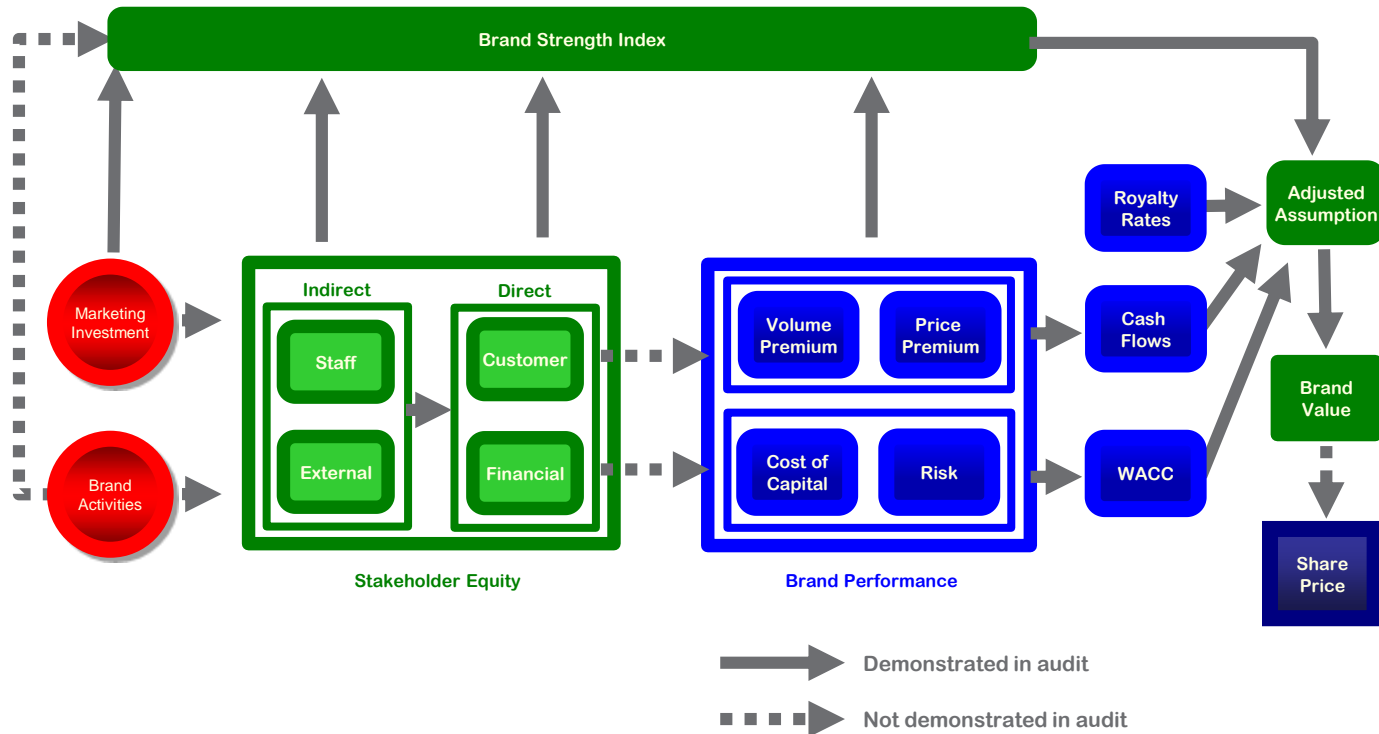
Change in Brand Value based on change in 0.5% change in Long Term Growth Rate

Long Term Growth Rate	Brand Value (m)	%Δ
	1,666	
3.10%	1,563	-6%
3.60%	1,612	-3%
4.10%	1,666	0%
4.60%	1,726	4%
5.10%	1,793	8%



Brand Strength Index & Brand Value:

Brand Activities, Marketing Metrics, and Financial Links



How can brand valuation benefit your company?

Core Brand Valuation Applications



Insight

Provide insight as to how the brand is **performing vs. key competitors** on underlying measures and drivers of **brand value** and **brand strength**



Segmentation

Understand where brand value is being generated by region, channel and customer segment in order to **identify areas of opportunity** that warrant further investigation



Education

Provide a **platform of understanding** to educate colleagues on the importance of the brand, and create a body of information about brand performance for use in internal and external presentations



Communication

Publicise strong results to reassure customers of the strength, resilience and influence of your brand;
Many leading global brands include the results of our studies in their financial reporting and annual results to shareholders



Understanding

Allow executive teams and shareholders to **appreciate the value of your brand** as an asset of the business, and budget accordingly

MMC Team Members

Team Leaders



Henrik Christiansen
At Large



Karen Ebben
Global Marketing Impact

Team Heroes



Pam Forbus
Disney



Dave Stewart
LMU



Allan Kuse
MMAP Center



Mike Boehme
SCJ



George Ivie
MRC

Staff



Frank Findley
MASB ED
Sponsor



Tony Pace
MAF/MASB



Erich Decker-Hoppen
Communication

Thank-you!



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of the Marketing Accountability Foundation