

## **FOR IMMEDIATE RELEASE**

### **ANA/MMA Marketing Accountability Study Finds Need for Greater Alignment Between Marketing and Finance**

*Increasing dissatisfaction in goal setting, metrics and measurement processes*

**New York, NY – September 5, 2007** — Formal marketing accountability programs are becoming an accepted business practice among marketers, however dissatisfaction about marketing measurement and internal marketing accountability processes is rampant, finds a new study from the ANA (Association of National Advertisers). This survey was conducted in conjunction with MMA (Marketing Management Analytics) and fielded by Guideline Inc.

#### **GENERAL DISSATISFACTION**

The good news is that almost all companies (92 percent) have created some type of marketing accountability process. However, there is a lack of consistency as to how those processes are managed and which departments are responsible:

- Informal / grass roots efforts (24 percent)
- Marketing department exclusively (31 percent)
- Cross functional management - marketing, IT, finance (20 percent)
- Marketing and finance only (17 percent)

The 2007 ANA/MMA Marketing Accountability Study indicated noticeable dissatisfaction with marketing accountability among more than half of marketing executives. Frustration levels among company executives are rising. Some specific issues of note – particularly when compared to the 2006 study are:

- Dissatisfaction with marketing ROI measurements (42 percent - up 7 percentage points)
- Lack of marketing ROI definitions (45 percent - up 20 percentage points)
- Poor organizational response to marketing ROI data (48 percent - up 16 percentage points)

The study found that the relationship between marketing and finance still lacks strength and consistency – particularly when attempting to establish metrics and methodologies for measuring marketing ROI. Most marketers (61 percent) indicated “some” cooperation between marketing and finance, while only 22 percent indicated full cooperation. In about one-half of the companies, respondents said that the marketing and finance departments don’t speak with one voice or share common metrics.

#### **TRACKING ROI**

Only 55 percent indicated that their marketing ROI goals were closely aligned with their company’s overall corporate goals while half (51 percent) said there were no written goals for marketing ROI in their organizations.

The metrics most commonly used to measure marketing effectiveness are:

- Changes in brand awareness (81 percent)

- Changes in market share (79 percent)
- Changes in consumer attitude toward the brand (73 percent)
- Changes in purchase intent (59 percent)
- Return on objective (36 percent)
- Lifetime customer value (23 percent)
- Changes in the financial value of brand equity (20 percent).

Effective measurement is still an issue for ANA marketers as evidenced by the dichotomy between what companies are measuring and what they feel is most important to measure. For example, 70 percent of respondents said “return on objective” was an important measure, yet only 36 percent were using that as a tool for measurement.

“A company’s ability to make effective marketing decisions requires relevant and targeted metrics and measurements,” said Bob Liodice, President and CEO of the ANA. “It is incumbent upon marketing to work cohesively with all cross-functional teams to establish common goals and processes to determine if those goals have been reached. It is clear from this study that although progress has been made, there is a substantial gap that still needs to be bridged”

“Most marketers are making an effort, but are becoming frustrated with the lack of progress,” said John Nardone, Co-President of MMA. “Unfortunately, they don’t have the buy-in or the resources to create a true marketing transformation. Successful transformation requires budget and cross-functional support to align people, process, data, metrics and technology.”

“Industry progress toward marketing accountability has stumbled, and possibly even stalled,” said Ed See, Co-President of MMA. “For most companies, it has not been institutionalized. A minority of companies are on the right track and doing well in this arena, but overall it is not proliferating through the industry as we had expected.”

Conducted in July 2007, this is the fourth annual ANA/MMA Marketing Accountability study. The survey was distributed online, in partnership with Guideline Research, and surveyed over 200 senior-level marketers/ANA members. The 2007 ANA Marketing Accountability Committee, formerly a task force, is comprised of 57 ANA member companies including IBM, Coca-Cola, Microsoft, ING, and Nestlé USA.

The full survey will be revealed during the ANA Marketing Accountability Forum on September 10, 2007 at the Four Seasons, Palm Beach, Florida. The Forum is set to highlight current thinking in marketing accountability and present best-in-class case studies. Conference information and online registration can be found at <http://www.ana.net/events/conferencemtg/MAC-SEPT07>.

### **About the ANA**

The Association of National Advertisers leads the marketing community by providing its members insights, collaboration and advocacy. ANA’s membership includes 350 companies with 9,000 brands that collectively spend over \$100 billion in marketing communications and advertising. The ANA strives to communicate marketing best practices, lead industry initiatives, influence industry practices, manage industry affairs and advance, promote and protect all advertisers and marketers. For more information visit: [www.ana.net](http://www.ana.net).

### **About Marketing Management Analytics, Inc. (MMA)**

MMA pioneered the use of marketing mix modeling to help companies plan, measure, validate, and optimize their marketing performance. Since that time, MMA has conducted more than 1,000 studies on

hundreds of brands and businesses in more than 20 countries. MMA's clients include many of the most recognized marketers in the world. MMA has been a unit of Aegis Group, PLC, London (AGS.L) since 1997. For more information about Avista DSS and other MMA services, visit <http://www.mma.com>.

**About Guideline, Inc.**

Founded in 1969, Guideline (OTC Bulletin Board: GDLN) is the nation's premier provider of customized research and analysis designed to help companies make more informed decisions about critical business issues. Our suite of research capabilities includes Custom Market Research, Strategic Intelligence and On-Demand Research. Guideline specializes in nearly all major industries, including healthcare and pharmaceuticals, consumer packaged goods, financial and business services, media and communications, technology and manufacturing. Guideline, Inc. is located at 625 Avenue of the Americas, New York, N.Y., 10011. More information is available by calling 212-645-4500 or visiting [www.guideline.com](http://www.guideline.com).

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