



PRESS RELEASE

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NEW STUDY SHOWS ORGANIZATIONS MORE FOCUSED ON MARKETING ACCOUNTABILITY

Annual joint Marketing Management Analytics/Association of National Advertisers survey also shows increased satisfaction with marketing ROI metrics, more finance/marketing cooperation and a positive outlook towards 2010

Wilton, Conn., Aug. xx, 2009 – Leading companies have stepped up their emphasis and focus on marketing accountability practices, according to a new survey by the ANA (Association of National Advertisers) and Marketing Management Analytics (MMA), a Synovate Company.

The 2009 ANA/MMA Marketing Accountability Survey, fielded by 'mktg', surveyed 95 senior-level marketers in June 2009, following similar studies conducted together since 2005.

According to the results, marketers are being forced to do more with less in this economy:

- Seventy five percent of respondents reported a decrease in their marketing budget in 2009.
- Sixty seven percent of respondents said marketers were expected to drive more sales with the same or lower budget.

Reflecting on these trends, marketing accountability programs have taken on much greater significance. Creating closer, more collaborative partnerships between the marketing and finance functions has been on the rise, resulting in a greater level of emphasis on employing marketing accountability best practices. Specific findings include:

- *An increase in cross-functional marketing accountability teams.* Thirty two percent of respondents said their teams included representation from marketing, finance and research. This is up significantly from 2008 (22 percent)
- *An increase in speaking the language of finance.* Thirty eight percent agreed that marketing and finance share common metrics (up significantly from 27 percent), while 20 percent agreed strategy is developed jointly (up significantly from 9 percent).
- *Use of more sophisticated analytics to determine marketing budgets.* Seventeen percent of respondents said they use "what if" scenarios at different budget levels to determine sales and profits -- more than double the response from the 2008 survey (8 percent).

- *A greater use of predictive modeling.* Forty three percent of respondents said they use customer lifetime value models as an accountability technique, up from 27 percent in the prior year's study
- *Developing predictive sales models.* Almost twice as many as last year (19 percent vs. 10 percent) said they were confident that if they had to cut marketing spend by 10 percent, they could use metrics and analysis to forecast the impact on sales

“With the economy still struggling to find its way out of the doldrums, marketing accountability has moved from the category of ‘nice to have’ to ‘must have,’ ” said Douglas Brooks, Senior Vice President and Marketing Officer for MMA. “The findings in this survey confirm that management and finance are getting on board in increasing numbers, and becoming enthusiastic champions of marketing accountability as they see the results in black and white.”

Virtually all the firms that took part in the survey (92 percent) said they are taking steps to improve marketing effectiveness without spending more in 2009. To do so, they are employing significant tactical changes, including:

- Shifting investments from traditional to digital media (70 percent of respondents).
- Shifting advertising investment from brand-building initiatives to promotional marketing (53 percent of respondents).
- Shifting into lower-cost media, i.e. local vs. national TV spots, 15-second vs. 30-second, etc (38 percent of respondents)

Overall, respondents reported a higher level of satisfaction with their marketing accountability efforts as compared to last year. The survey also identified a greater appreciation by senior management. Forty six percent of respondents said they were satisfied with marketing's impact on sales/ROI, twice as high a response versus last year. Other indicators of increased satisfaction include:

- Thirty four percent said they were satisfied with their agency's metrics (brand health, copy testing, reach, frequency), up from 31 percent in 2008.
- Thirty nine percent said they were satisfied with marketing's impact on sales and brand equity, up significantly from 19 percent in 2008.
- Twenty eight percent said there were extremely satisfied or very satisfied with their company's ability to change established marketing strategies and budgets when ROI reports demonstrated they were not effective. This is up from 21 percent in 2008.
- While 39 percent of senior management views marketing as an expense, 43 percent view marketing costs as an investment in brand equity. Additionally, 20 percent of senior management feels confident in forecasts of how marketing activities will impact sales.

“With marketers, CFO's and CEOs paying more attention to each dollar spent, marketing accountability processes have become strategic imperatives”, said Bob Liodice, President and

CEO, ANA. “Such programs have had a positive impact on sales and marketing ROI – and will continue to do so with senior-level buy-in and, importantly, cross-functional representation”.

Even with perceived improvements in marketing accountability, some challenges still remain. The highest number of respondents (27 percent) saw training staff as the greatest challenge to making marketing analytics easy to use, although this was down from 34 percent in 2008. Twenty percent said the ability to manage disparate analytics tools and outputs was their greatest challenge, more than double the 8 percent who cited this issue last year.

Looking ahead, the 2010 marketing outlook appears to be a mixed bag. While 33 percent said their marketing budget would remain the same next year, 36 percent said they expect it to increase, with 12 percent saying it would go up by more than 10 percent. Fourteen percent said their marketing outlay would decrease by more than 10 percent in 2010.

About the ANA

The Association of National Advertisers leads the marketing community by providing its members with insights, collaboration, and advocacy. ANA's membership includes 400 companies with 9,000 brands that collectively spend over \$250 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 <http://www.ana.net/>.

About Marketing Management Analytics, Inc.

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 became a unit of Synovate in December 2008. For more information about Avista DSS and other MMA services, visit <http://www.mma.com>.

About 'mktg'

'mktg' (Nasdaq: CMKG) is an alternative media and marketing services company headquartered in New York with full service offices in San Francisco, Chicago, Cincinnati and Toronto and over 40 field activation offices in the U.S. The company currently serves a variety of the world's most recognizable brands, including Diageo, P&G, Nintendo, Pepsi, Nike, Apple, Coty, Scottrade, SAP and Google/YouTube. The company's services include experiential marketing, digital marketing, retail promotions and strategic research and planning. The firm's programs help its clients profitably connect with consumers and create networks of brand advocates to generate brand awareness and higher sales for its customers. For more information, please visit <http://www.mktg.com>.