

AdvertisingAge®

Mass of Metrics May Mean Marketers Know Less

Standards Board to Create Meaningful, Predictive Measurement System

By [Jack Neff](#)

Published: September 20, 2010

NEW YORK (AdAge.com) -- In a classic case of more not necessarily being better, the rise of digital and social media has spawned a host of new metrics and measurement systems. Whether marketers really know more as a result is more doubtful, however, giving rise to efforts to validate which metrics are really worthwhile.

Perhaps the most ambitious of those efforts -- the Marketing Accountability Standards Board -- got a boost last month with the addition of Coca-Cola Co. as a charter member, joining Kimberly-Clark Corp. and ConAgra Foods among marketers on a group that also counts numerous academics, Publicis Groupe's Starcom MediaVest Group and the Association of National Advertisers among members.

MASB is striving to create a set of metrics generally recognized as meaningful and predictive, much like the Financial Accounting Standard Board has tried to do over the years with accounting metrics or the International Standards Organization has done with quality-control metrics. MASB is even in talks with FASB about aligning their efforts.

But even Meg Blair, founder of copy-testing firm ARS Group, now a unit of ComScore, and president of the nonprofit group behind MASB, acknowledges that nearly a decade into a process she helped lead that it could be a couple more decades before marketing metrics get to the level of validation that financial or quality metrics have now. She believes the payoff for the industry from that progress could be profound -- giving marketers, and specifically chief marketing officers, the sort of credibility and clout that chief financial officers enjoy today.

To be sure, there's growing recognition that the industry's bounty of metrics hasn't necessarily made marketing better.

"What's making everything much more murky is the amount of data that's available today," said media

consultant Erwin Ephron. "It just blows the mind. It's very hard to think constructively about media planning when you have 500 different research sources telling you what's going on, because you can prove anything you want. We need to get back to a simple set of measurements that in fact identify response."

Marketers have "made a lot of things very complex, not just the metrics," said Stewart Atkinson, VP-global brand building purchases for Procter & Gamble Co. "The metric piece is driven by the growing number of things we have to measure as media fragments. We do need to find a better way to measure across the world of media. And I think eventually we are going to get there."

A fundamental problem across all metrics is settling for what actually can be measured rather than measuring what actually contributes to the ultimate goal: sales, Mr. Ephron said. So TV ratings, for example, measure presence in front of a TV as opposed to "open eyes facing a TV screen," a definition developed five years ago by the Advertising Research Foundation and which is more like what he believes advertisers hope they're paying for.

Despite numerous studies showing clicks on banner ads have little to do with whether people purchase the advertised products or services when the products and services aren't sold online, marketers continue to pay attention to the metric, because it's easy to measure, whereas online audiences or their offline purchase behavior are less so.

But the path to better and generally-validated metrics can get bogged down in the weeds pretty quickly. The Coalition for Innovation in Media Measurement, spawned with much fanfare last year, has focused fairly narrowly so far on developing a lexicon for set-top-box TV data and compiling other information from cable providers regarding their systems.

MASB, about six years into its work and about 10 after it was spawned by a group called the Boardroom Project, isn't focusing so much on vetting a broad range of metrics as setting a direction by which metrics should be judged. In a nutshell, the group has determined that marketing metrics should all ultimately measure success in terms of whether the activity leads to increased cash flow. And it's established a Marketing Metrics Audit Protocol for judging whether metrics do that.

To that end, the group has validated that surveys of brand preference do in fact correlate with market share, which in turn correlates with cash flow -- hence making them a useful metric.

But with only three marketers on board at this point, and a whole lot of metrics left to evaluate, there's plenty left to do.

"I am pleased with the progress, but I am by character an impatient person and wish we had made more," said David Stewart, dean of the graduate school of management at University of California-Riverside and chair of the MASB. "I view marketing today as being in much the same place that the quality movement was 50 years ago," he said. "People were still talking about how you couldn't have standardized measures and how could the same measures apply in pharmaceuticals and the steel industry. Of course, now, everybody is into six sigma and are applying a common set of processes and metrics. I think that's where we're evolving to in marketing."

Being impatient, he hopes that doesn't take another five decades. Being realistic, he believes it may be another two decades.

Copyright © 1992-2010 [Crain Communications](#) | [Privacy Statement](#) | [Contact Us](#)