

Academic Council Special Session 3.1 Key Learning and Research Opportunities from the MPlanet Event: Focus on “Performance Metrics” and “Brand Relevance”

Session Co-Chair:

V. Kumar, University of Connecticut

Panelists:

Jeff Schumacher and Sean Collins, McKinsey & Co.

Jeff Hunter, General Mills

Kerry Zeida, Microsoft

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This academic council special session gave its marketing academic attendees the opportunity to learn from the highly successful AMA MPlanet industry event held in November 2006. Based on the cutting edge thought presented at this session, last year’s MPlanet event fulfilled its promise of bringing together the world’s most creative thinkers to engage in a real-time dialogue about the changing dynamics of marketing.

Kicking off the session with their observations about marketing in today’s digital world, representatives from McKinsey & Company chronicled the meteoric rise of broadband penetration which continues to drive higher online usage. The internet is rapidly evolving into a highly personalized and interactive vehicle that puts users – rather than companies – in control of their experience, and marketers need to adapt their strategies to fully embrace interactive medium. The web has a wide reach, but advertising spending has been misaligned with the majority of dollars being spent on less efficient media including television. Examples of tools to help address this situation include econometric modeling, the use of consumer panels to track the online influence of purchased items and using “test and learn” processes coupled with advanced cross selling algorithms.

Next, the discussion flowed into General Mills’ use of marketing metrics and customer insights to actively measure and project sales in today’s mature product markets. As such, the evolution of General Mills’ marketing mix began with the use of household logit models and aggregate level models built from scanner data, to the use of panel data – back to aggregate level, brand-based models, which continue to help the company isolate advertising effects and measure the product trial and repeat usage behavior of households longitudinally.

Finally, this interactive session capped off with a presentation following Microsoft’s ongoing brand management journey, including sustaining their image while better understanding their customers - beyond just learning about their upgrade expectations. In this rigorous company-wide initiative, Microsoft is going a step further, and striving to develop long-term emotional relationships with their customers based on the problems their products solve, and then using this information to build brand health metrics which actively tie brand promise relevance back into their architecture.