
Underinvestment in Measurement and Advertising Spend Stifles Long-term Business Growth, According to Neustar's Marketing Accountability Report

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Amidst Industry Cuts, Results Show Marketers That Invest Over 10 Percent on Measurement are 3X More Likely to Beat Their Sales Targets by 25 Percent

[Neustar](#), Inc., a trusted, neutral provider of real-time information services, today released the findings of a Marketing Accountability report in collaboration with the *Forbes* CMO Practice. An analysis of over 800 CMOs showed that high performing marketing organizations see measurement as a real driver of short- and long-term financial success: 5 percent improvement in marketing investment performance and 7.5 percent better business growth outcomes versus average performers.

The research highlights that the highest performing marketers (those that exceeded their growth plans by over 25 percent) are more data-driven and effective in the way they measure and manage marketing performance. CMOs are far more confident in their media allocation decisions, forecastability and impact on sales, particularly offline sales attribution. Amidst the current downward industry trend in marketing budget cuts, leading CMOs advise *spending aggressively on marketing measurement rather than trimming it in order to achieve greater media effectiveness and efficiency*.

“The unfortunate and inaccurate title of ‘non-working media’ in many marketing budgets is leading to continuing reductions in these expenditures. That is exactly the wrong outcome as measurement and data expenditures actually make the entire marketing investment more effective and efficient,” said Tony Pace, former Subway CMO and Marketing Accountability Standards Board Chair. “Marketers need to start thinking about the data they collect on their marketing efforts as a line item on the balance sheet and use it to fuel further marketing growth. It’s oxymoronic to think you can cut non-working dollars and reallocate it to working-dollars to achieve higher marketing performance.”

High performing marketers were significantly more data-driven in their approach to measuring, optimizing and reallocating their offline and online investments. Those marketers built significantly (27 percent) larger internal staff dedicated to marketing performance measurement. Over a quarter of the highest performing marketers are investing over 10 percent of their working media budget on performance measurement and analytics – three times the level of the rest of the sample. These trailblazers are 3 times more likely to say they will beat their sales targets by 25 percent or more.

Astoundingly, high performing CMOs are 50 percent more effective at determining the impact of offline and online media, as well as emerging media types, device types and non-media factors (e.g. weather, traffic, economy) on marketing performance and growth than their CMO counterparts. Fifty-two percent of high performing marketers adopted people-based targeting to incorporate more data about media, touch points and deliver higher levels of transparency, attribution and connection to financial outcomes.

CMOs ranked social media as the most effective media investment, rating it as the top driver for brand awareness surpassing digital and traditional advertising and search. High performing marketing organizations that use attribution models to maximize and unlock the value of social media channels were 10 percent more effective at using social media to drive brand awareness, over 9 percent more effective at generating customer engagements and over 9 percent more effective at obtaining prospective customer responses.

“Analytics need to be at the heart of every marketing organization. I established this in my first 100 days to set the expectation for the relationship for the leadership team and the tone of every conversation going forward,” said Denise Karkos, CMO, TD Ameritrade. “To make this happen, my first priority was to build a world class analytics team. We brought in marketing mix model and a range of partners to build an analytics foundation that demonstrates where marketing is contributing incremental growth.”

Not surprisingly, the most effective marketers take a more granular focus across their entire marketing investments and dedicate more staff and technology resources to the development of data, analytics and models. They are also twice as likely to use sophisticated marketing mix models (50 percent) and multi-touch campaign attribution (55 percent) to demonstrate ROI.

The Marketing Accountability research infographic can be found [here](#).

About Neustar

Neustar is a global information services provider helping organizations grow and guard their businesses through our Marketing, Security, Risk, Registry and Communications Solutions. The Neustar MarketShare advanced analytics solution takes a holistic approach to measuring the effectiveness of advertising dollars. It combines the effects of an advertiser's digital campaigns with the effects of offline media, as well as a customer's behavior and non-media drivers. Neustar's advanced measurement capabilities can also help advertisers see which channels and consumer segments are more effective at different stages of the customer journey, break out media channel performance by customer segments such as new, existing and reactivated, and show which campaigns are more effective when launched simultaneously. More information is available at <https://www.neustar.biz>.

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