

Marketing efficiency & effectiveness diagnostic tool

Understanding global marketing procurement maturity

Background: Conducted in May-June 2012, 45 companies took part in this global research with responses coming from both marketing sourcing specialists and brand marketing directors. Many of the world's biggest brands have very mature marketing sourcing functions that are well integrated with the management of marketing activities. This research aims to help those brands understand where they sit compared to their peers and identify what drives excellence in marketing efficiencies. Whilst results are not statistically relevant, they are indicative of the thoughts and actions of global multinationals within WFA membership.

About the WFA SPIRE marketing activity effectiveness & efficiency capability diagnostic tool

The diagnostic tool is based on an online survey that examines the capabilities of organisations to deliver marketing activities that are both effective and efficient. It uses four key drivers to track overall performance based on 26 separate measures as well as examining organisational factors that support successful deployment of effectiveness and efficiency capabilities.



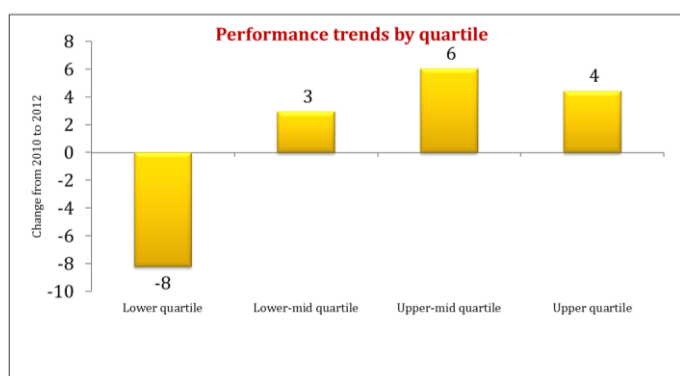
The four drivers are:

- Managing money tightly and adopting more cost-efficient ways of working;
- Identifying and working with the best agencies/suppliers;
- Using integrated and streamlined approaches to manage marketing activities and
- Applying structured mechanisms for continuous improvement.

Key findings:

- Overall, the effectiveness and efficiency of sourcing teams has increased marginally since the WFA first conducted similar research in 2010. In 2012 there were 5% more "good or excellent" performance scores than in 2010.
- The performance gap between the most and least advanced organisations is getting wider. In 2012 the bottom 25% of respondents scored 40% lower than they did in 2010. In parallel, performers in the top 25% improved by 5% on 2010. On average, the best performers score six times better than the weakest ones.

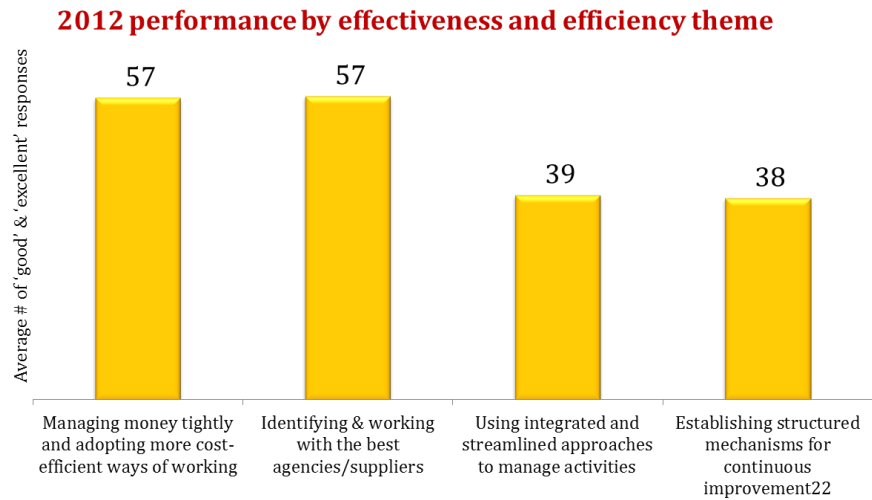
Performance trends by quartile



Source: WFA SPIRE 2010 survey and 2012 Diagnostic Tool
Base: all respondents

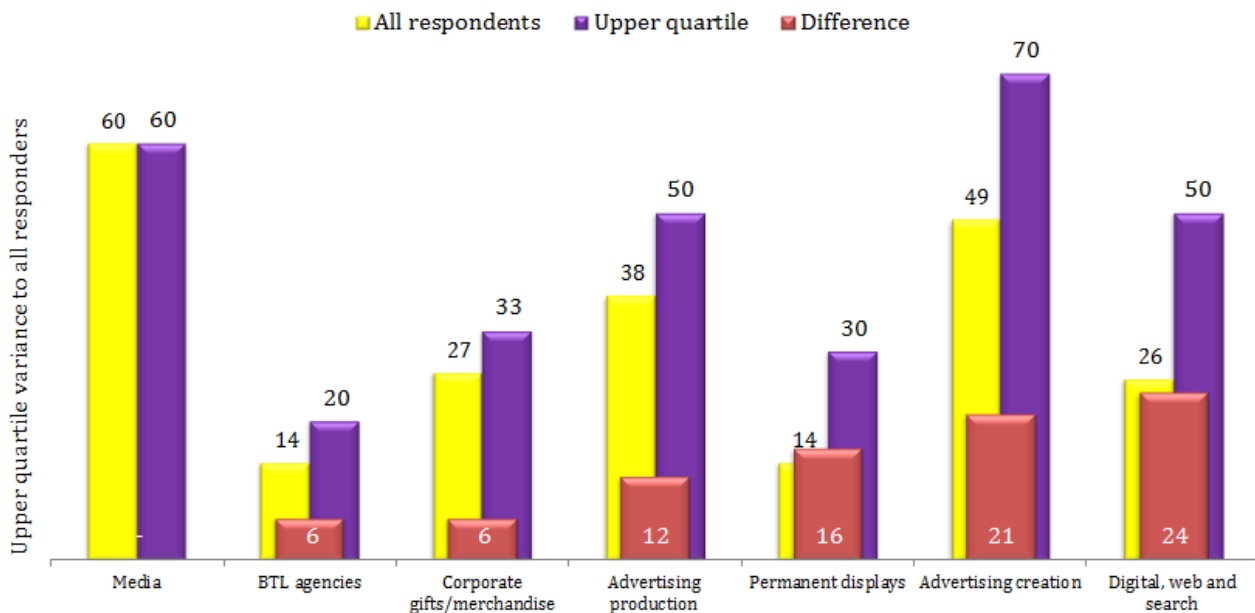
Source: WFA online member survey, May-June 2012. In partnership with [Spire Worldwide](http://www.spireworldwide.com).

- The biggest improvements have come from better money management and improvements in finding and working with the best suppliers, where respondents show clear gains compared to 2010.



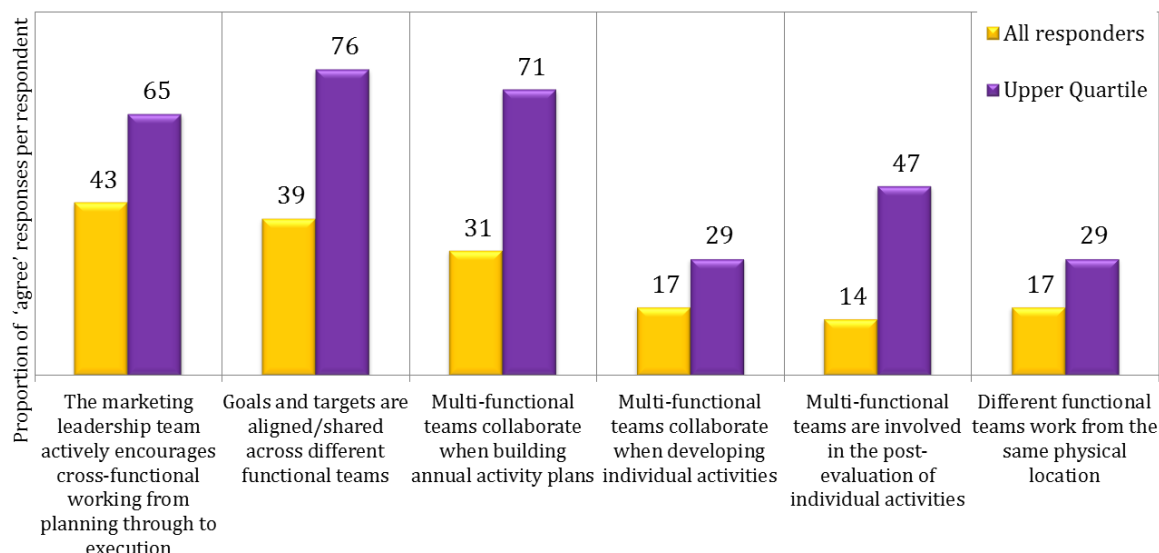
- The length of tenure of the procurement team and its integration with the marketing planning process strongly correlates with advanced performance scores. More than half of the most advanced sourcing teams have staff with a background in marketing – usually more than five years.
- Although it varies by category, the most advanced performers have much higher levels of centralisation of spend management. Across 18 key categories of marketing spend, there is significantly greater centralisation among the best performing companies.

% of responders who source each category 'mainly centrally' (with variances in the red bar)



- Organisations in the upper quartile of effectiveness and efficiency capabilities have a much stronger culture of cross-functional working, with multi-functional teams (including procurement and marketing) involved in campaign development, goal setting and post-evaluation.

'Agree' ratings for indicators of a cross-functional working culture in and around the marketing team



- ENDS – For more information please contact Steve Lightfoot s.lightfoot@wfanet.org

Note: All WFA benchmarks, survey results, agendas and minutes are reviewed by Hogan Lovells International LLP, our competition lawyers

WFA Competition law compliance policy



The purpose of the WFA is to represent the interests of advertisers and to act as a forum for legitimate contacts between members of the advertising industry. It is obviously the policy of the WFA that it will not be used by any company to further any anti-competitive or collusive conduct, or to engage in other activities that could violate any antitrust or competition law, regulation, rule or directives of any country or otherwise impair full and fair competition. The WFA carries out regular checks to make sure that this policy is being strictly adhered to.

As a condition of membership, members of the WFA acknowledge that their membership of the WFA is subject to the competition law rules and they agree to comply fully with those laws. Members agree that they will not use the WFA, directly or indirectly, (a) to reach or attempt to reach agreements or understandings with one or more of their competitors, (b) to obtain or attempt to obtain, or exchange or attempt to exchange, confidential or proprietary information regarding any other company other than in the context of a bona fide business or (c) to further any anti-competitive or collusive conduct, or to engage in other activities that could violate any antitrust or competition law, regulation, rule or directives of any country or otherwise impair full and fair competition.