



THE UNIVERSITY OF AUCKLAND BUSINESS SCHOOL

DEPARTMENT OF MARKETING

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Departmental Seminar

Speaker: Raj Srivastava, Emory University, USA

Date: Thursday, October 25th, 2007

Time: 1.00-2.00 pm

Venue: Commerce C, Rm 501, City Campus

Topic: **Impact of Marketing on Organic Growth and Business Risk:
Metrics for Managing the Future**

Abstract:

Marketers have long been under pressure to justify marketing expenditures and resource requests. This has led to some exciting work focusing on the impact of marketing-mix variables on sales and profitability as reflected in marketing dashboards and ROMI (Return on Marketing Investments). Yet market-based off-balance sheet assets such as brands that drive cash flow continue to be a “blind spot” in decisions ranging from resource allocation to M&A valuations. All too often companies focus on identifying marketing actions that can deliver acceptable short term metrics rather developing strategies to out-distance competitors. In the words of the CMO of a Fortune 50 company, much of this work focuses on (at best) 25 percent of value that can be attributed to tactical marketing actions. The impact of strategic marketing “investments” (competitive positioning resources, customer acquisition costs, channel development, and brand-launch expenditures) that contribute the other 75 percent of value by enabling organic growth and sustainable advantages (lower risk) is less well documented. These marketing investments have multi-period payoffs. But, all too often, their usefulness is evaluated based on quarterly or annual performance. This presentation will review five reasons why short-term metrics can undervalue marketing efforts. It will also discuss how marketers can better manage organic growth and business risk – thereby suggesting metrics for managing the future.

Biography:

Rajendra Srivastava *is the Roberto C. Goizueta Chair in e-Commerce and Marketing & Director, Zyman Institute of Brand Science, Goizueta Business School, Emory University*

Raj is a leading authority on brand and marketing strategy and is well known for his contributions to marketing metrics. He is considered a pioneer on topics such as returns on strategic marketing investment and strategies for driving shareholder value. His work on the impact of market-based assets on shareholder value in the *Journal of Marketing* received both the 1998 Maynard Award for the article judged to contribute most to the development of theory in marketing, the MSI/Paul Root Award for the article judged to contribute most to the practice of marketing, and more recently the Sheth Foundation Award for long-term contributions to the Marketing discipline—the only time a single article has won all three awards. He is also the recipient of AMA's Mahajan Award in recognition of career contributions to marketing strategy. Raj has developed and implemented senior executive programs for leading companies in North America, Europe and Asia-Pacific. He holds a B.Tech. from Indian Institute of Technology and MBA and Ph.D. from the University of Pittsburgh.

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