

Announcing the Marketing Science Institute (MSI) Marketing Mix Model (MMM) Initiative: An Industry-Academic Blue Ribbon Panel to Validate and Certify MMMs

What is This Initiative?

Owing to increasing privacy concerns and causality concerns in attribution modeling, marketing mix models (MMM) are resurgent. A time-tested approach to measuring the efficiency of marketing spend, MMMs use aggregate data that can be easily collected under tighter privacy regimes. Moreover, owing to continued innovation, MMM vendors are offering an increasing array of solutions that build on digitization and machine learning. Given the breadth of solutions, industry partners seek to assess best practices to ensure marketing spend is as effective as possible. Moreover, the industry seeks robustness across products, categories, and industries as well as granularity, time, markets, and periodicities.

How Will it Work?

To these ends, the Marketing Science Institute announces an industry-academic initiative to address these issues. This initiative will include a selective, blue-ribbon coalition of leading academic experts on MMM models; MSI member companies; and major data suppliers. The details and scope of the study are to be refined at the upcoming MSI Summit at UCLA, February 15-16. The blue ribbon committee, once constituted, will proceed in three phases:

1. **Scope:** In phase 1, the committee seeks to define the scope of the marketing mix industry and place bounds on the types of practices and innovations it seeks to validate. It will create a standard language around MMM updated to reflect innovations in digital measurement, communications, and distribution.
2. **Define:** In phase 2, the committee will create a list of desired data for these models; specifically what should be validated and on what data and how. An ideal output of this phase will be a checklist of elements MMM solutions should consider.
3. **Validate:** In phase 3, via simulations and contributed data sets, the committee will create a means by which MMMs can be independently tested and validated. Such outcomes could range from a simple certification to a set of benchmark scores (much like the Gartner quadrants) to a competition.

How and Why to Participate

The initiative is by invitation and limited to firms and academics at the vanguard of MMM.

- **How:** MSI firms who wish to participate will contribute to the study financially, by contributing data sets, by contributing their experiences/expertise in MMM, and/or by asking their suppliers to participate in the initiative. In addition, a handful of leading luminaries in the MMM vertical will be invited to participate.
- Participating member firms and academics will ensure that the initiative addresses the questions uppermost in the minds of the MMM community. A key benefit of participation is ownership in the standards to be developed and deployed for the industry.