



Joint Fortieth Meeting of the
IMF Committee on Balance of Payments Statistics
and Twenty-Second Meeting of the Advisory
Expert Group on National Accounts

Inter-secretariat
Working Group on
National Accounts

Remote Meeting
March 27–29, 2023

BOPCOM VM1—23/04
SNA/M1.23/04
For discussion

G.9 Payments for Nonproduced Knowledge-based Capital: Testing Results

G.9 Payments for Nonproduced Knowledge-Based Capital (Marketing Assets)¹

Testing Results

The results of the global consultation for G.9 “Payments for Nonproduced Knowledge-based Capital (Marketing Assets)” indicated that, on a conceptual basis, marketing assets meet the SNA definition of produced non-financial assets. However, on a practical side, they cited difficulties encountered in adequately measuring the current production of marketing assets. Both Committee and AEG members remained favorable to the preferred treatment of marketing assets as produced on conceptual grounds and were of the view that the testing might resolve the practical concerns that were raised during the preparation of the 2008 SNA. In fact, some members emphasized the need for agreeing on a conceptually sound treatment and not to be guided only by practical difficulties. Therefore, members were supportive to the GZTT’s proposal to undertake targeted testing before deciding on the final recommendation.

In response, the GZTT undertook a two-stage testing strategy to determine if marketing assets could be treated as produced assets. First, the GZTT organized a workshop during June 28 and 30, 2022, with a dedicated group of countries and international organizations to review existing literature on the topic. The aim of the workshop was to discuss the scope of what should be treated as marketing assets and identify potential data sources. The second stage leveraged the outcomes of the workshop to launch a questionnaire to all countries on the feasibility. The results of the global consultation showed data sources are available to implement this recommendation but less agreement on the scope of what should be treated as marketing assets. Based on these results it is recommended that marketing assets be included within the production boundary and be treated as produced assets in the 2025 SNA and BPM7. It is also recommended that compilation guidance be provided to countries in order to implement this recommendation.

SUMMARY OF USER TESTING RESULTS

1. A total of 43 economies provided 45 responses (two economies provided separate answers for national accounts and balance of payments statistics).² Of the 45 responses, four were for balance of payments only, 32 were for national accounts only, and nine covered both statistical domains. Therefore, 54 responses were received when each statistical domain is considered independently. Thirty-three respondents consented to having their detailed comments published verbatim. However, the tables and charts in Appendix I annex reflect the answer of all respondents.

¹ Prepared by Thomas Alexander (IMF), Margarida Martins and Jennifer Ribarsky (IMF, GZTT Secretariat). The work was undertaken under the supervision of Michael Connolly and Branko Vitas (co-Chairs of the GZTT). The survey was conducted during October 2022 and January 2023. All economies were invited to respond and the GZTT made an additional outreach to economies where advertising and marketing expenditures were expected to be relatively significant.

² Angola, Arab Republic of Egypt, Argentina, Aruba, Australia, Austria, Brazil, Canada, Cyprus, Denmark, Finland, Germany, Guinea, Indonesia, Iraq, Ireland, Israel, Italy, Japan, Jordan, Latvia, Lebanon, Malaysia, Mexico, Netherlands, New Zealand, Nigeria, Peru, Poland, Qatar, Romania, Saudi Arabia, Senegal, Singapore, Slovakia, South Africa, Korea, Spain, Suriname, Switzerland, Thailand, United Kingdom, United States.

2. Respondents were split on whether all advertising and marketing expenditure should be considered as investment. A fair number of respondents indicated “don’t know/not sure”, which suggests that more guidance is needed.

3. For respondents that consider that not all advertising and marketing should be considered investment, most identified a lack of available data sources to distinguish between the different types of advertising and marketing expenditures (five out of seven balance of payments compilers and 12 out of 15 national accounts compilers). Many of these respondents further explained that not all marketing and advertising is designed to build loyalty and trust.

4. Respondents were also split on whether the estimation of marketing assets as investment should be limited to market entities and a fair number of respondents stated “don’t know/not sure”. This again indicates the need for more guidance on identifying which marketing assets should be considered investment.

5. Based on the list of possible data sources identified at the June 2022 workshop, respondents highlighted the availability of several possible data sources that can be used to estimate advertising and marketing expenditure. These include direct information from advertising companies and market research companies, direct information from media and Internet companies, administrative data, and specific surveys. In particular, some respondents highlighted the opportunity to undertake new surveys to collect more detailed data on advertising and marketing.

6. A majority of respondents (35 of 54) indicated that data are available on occupations and, based on these data, it may be possible to determine the occupations engaged in own-account production of marketing assets. In terms of the time spent on activities that can be considered gross fixed capital formation on advertising and marketing, many respondents stated “don’t know/not sure” regarding a potential overlap with estimates of own-account production of data.

PROPOSALS ON THE WAY FORWARD

7. The GZTT recommends that marketing assets be included within the production boundary and be treated as produced assets in the 2025 SNA and BPM7. This will entail major changes in the SNA because it will expand the production and produced asset boundaries. While international transactions in marketing assets are already included in services, outright sales are currently included in the capital account. The change implies moving from capital account to goods and services accounts in the balance of payments—the value of these outright sales could be significant. Further, the SNA production and asset boundaries are being expanded to include data therefore it is the opportune time for the inclusion of marketing assets.

8. The GZTT proposes that practical guidance be developed for countries on possible estimation methods and data sources. Further efforts should continue to assist countries in developing experimental estimates to help in establishing “best practice” as well as assessing the impact of the estimates on the national accounts and balance of payments aggregates.

9. The summary of discussion from the March 2022 joint AEG-BOPCOM meeting indicated the following: *Should the status quo (continue treating these assets as nonproduced) be maintained, members generally agreed that clearer guidance is still needed on the treatment of payments for the*

rights to use marketing assets. There was a slight preference to treat those payments as services (the default solution in BPM6, if a split is not possible). There was also large support for creating a new subcategory on the payment for nonproduced nonfinancial assets other than natural resources in the primary income account. Some members noted that the concept of rent, and the need to distinguish between rent and services, has been discussed by other task teams during the update process, so proper coordination should be ensured.

10. Subsequently Eurostat prepared a note AI.2 “Treatment of Rent” for discussion at the October 2022 AEG³ meeting summarizing the various discussions on rent in three guidance notes DZ.6 “Recording of Data in the National Accounts”; G.9 “Payments for Nonproduced Knowledge-Based Capital (Marketing Assets)”; and WS.8 “Accounting for Biological Resources”. The outcomes of the October 2022 AEG meeting⁴ said the following: *Expressed a general preference for changing the definition of rent and to use option A1 (Broaden the **definition of rent to cover all payments/receipts related to the use of non-produced non-financial assets with assumed infinite life span.**)* There was also a discussion of the appropriate location of rent in the sequence of accounts and at the October 2022 AEG meeting it was agreed to further discuss the rationale to record rent higher in the sequence of accounts. In short, if the status quo is maintained, there still needs to be an agreement on where to record the various transactions related to marketing assets in the updated SNA/BPM.

Questions for the AEG and Committee:

1. *Do members agree that marketing assets should be included in the production boundary and be treated as produced assets in the 2025 SNA and BPM7?*
2. *What are members' opinions on whether all advertising and marketing expenditure should be considered as investment?*
3. *What are members' opinions on whether investment in marketing assets be limited to market entities? Can governments and NPISH have investment in brand equity?*
4. *Do members support the development of practical guidance for countries to help them implement the recommendation of treating marketing assets as produced?*
5. *Do members have comments on the results of the testing?*

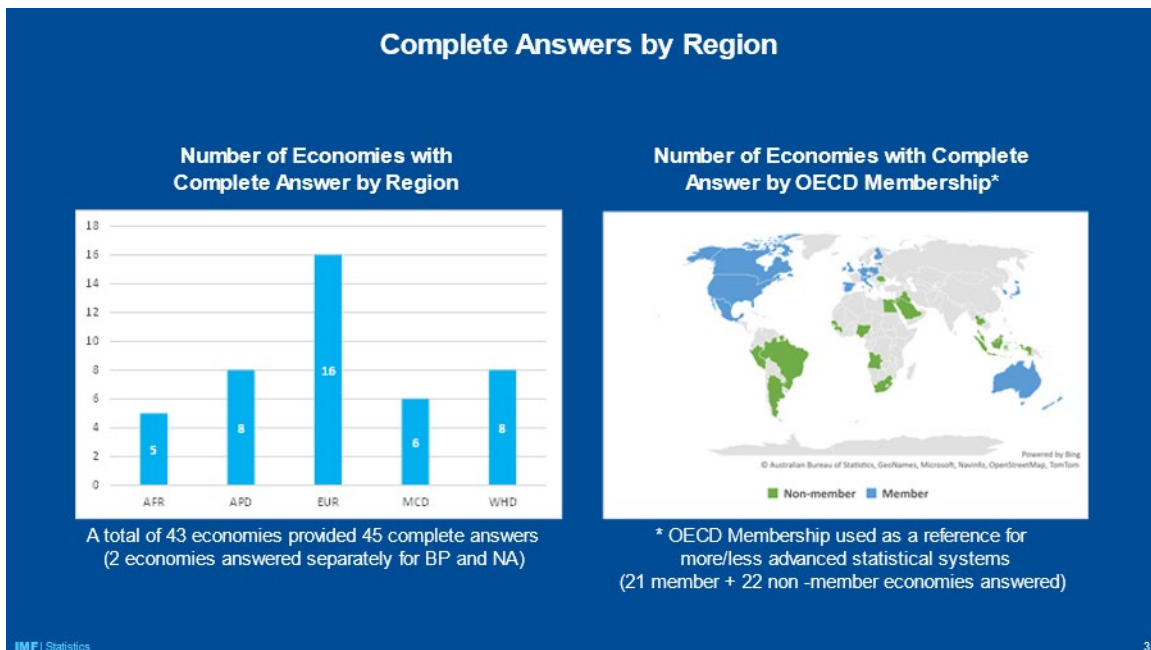
³ https://unstats.un.org/unsd/nationalaccount/aeg/2022/M21/M21_8_AI2_Treatment_of_Rent.pdf

⁴ <https://unstats.un.org/unsd/nationalaccount/aeg/2022/M21/M21.asp>

Appendix I. Summary Testing Results

SUMMARY OF RESPONSES

A total of 43 economies provided 45 complete responses. Two economies—Latvia and Switzerland—provided separate responses for national accounts and balance of payments. When each statistical domain is considered independently, 54 complete responses were received. Of the 43 economies, 21 were from OECD member countries and reflecting more advanced statistical systems. Thirty-three respondents consented to having the responses published verbatim. However, the tables and charts reflect the answer of all respondents.

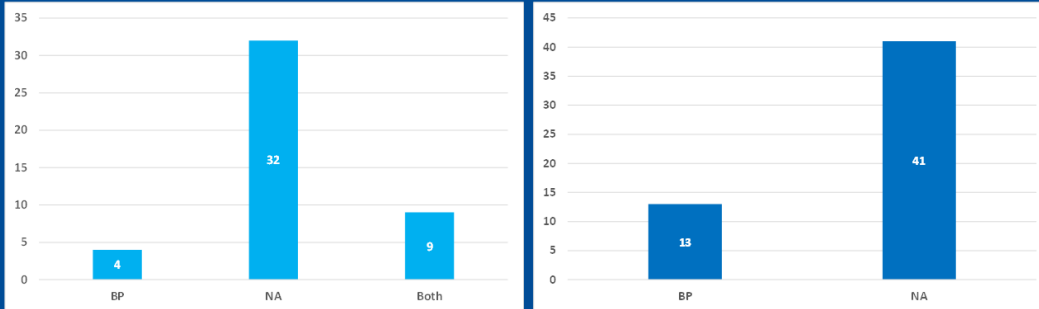


0. YOUR RESPONSE CONCERNS WHICH AREA OF MACROECONOMIC STATISTICS

	Frequency
National accounts	32
Balance of payments	4
Both	9
Total	45

Complete Answers by Statistical Domain

Number of Complete Answers by Statistical Domain



A total of 45 complete answers
(4 for BP + 32 for NA + 9 for both)

A total of 54 complete answers considering each
statistical domain independently,
13 (4+9) for BP + 41 (32+9) for NA

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Angola (National Statistics Office): National Accounts

Arab Republic of Egypt (The Central Agency for Public Mobilization and Statistics): National Accounts

Aruba (CBS): National Accounts

Australia (Australian Bureau of Statistics): Both National Accounts and Balance of Payments

Brazil (IBGE (NSO)): National Accounts

Canada (Statistics Canada): Both National Accounts and Balance of Payments

Cyprus (Cystat): National Accounts

Denmark (Statistics Denmark): National Accounts

Finland (Statistics Finland): Both National Accounts and Balance of Payments

Germany (Federal Statistical Office): National Accounts

Guinée (Institut National de la Statistique): National Accounts

Indonesia (BPS Statistics Indonesia): National Accounts

Iraq (central statistical organization): National Accounts

Ireland (Central Statistics Office): Both National Accounts and Balance of Payments

Israel (Central Bureau of Statistics): National Accounts

Italy (Istat - Italian National Institute of Statistics): Both National Accounts and Balance of Payments

Latvia (Central Statistical Bureau of Latvia): National Accounts

Lebanon (CENTRAL BANK OF LEBANON): Balance of Payments

Malaysia (DEPARTMENTS OF STATISTICS MALAYSIA): National Accounts

México (INEGI): National Accounts

Nederland (Statistics Netherlands (also on behalf of the Dutch Central Bank)): Both National Accounts and Balance of Payments

New Zealand (Statistics New Zealand): National Accounts

Peru (INEI): National Accounts

Poland (Statistics Poland): National Accounts

Qatar (Planning and Statistics Authority): National Accounts

Senegal (Agence nationale de la Statistique et de la Démographie (ANSD)): National Accounts

Singapore (Singapore Department of Statistics): Both National Accounts and Balance of Payments

South Africa (South African Reserve Bank): National Accounts

South Korea (Bank of Korea): National Accounts

Spain (SPANISH STATISTICAL OFFICE - INE): National Accounts

Thailand (BANK OF THAILAND): Balance of Payments

United Kingdom (UK Statistics Authority): Both National Accounts and Balance of Payments

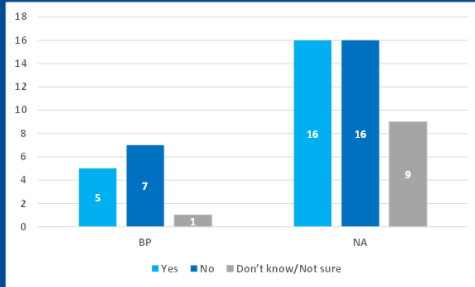
United States (Bureau of Economic Analysis): National Accounts

1A. SHOULD ALL ADVERTISING AND MARKETING EXPENDITURE BE CONSIDERED AS INVESTMENT? 1B. PLEASE ELABORATE

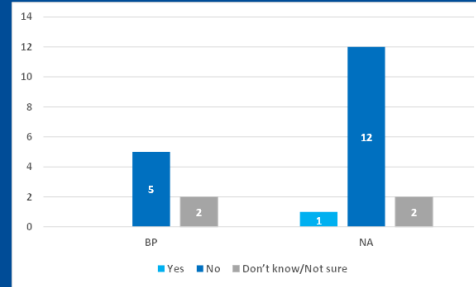
Q1A	Frequency
Yes	21
No	23
Don't know/Not sure	10
Total	54

Advertising and Marketing Expenditure

Q1A: Should all advertising and marketing expenditure be considered as investment?



Q1C: If not, are the data available in your country to distinguish between the different types of advertising and marketing to determine which expenditure should be considered investment?



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Angola (National Statistical Office): Don't know/Not sure

I need read more details related with this issue

Arab Republic of Egypt (The Central Agency for Public Mobilization and Statistics): Yes

Aruba (CBS): No

Australia (Australian Bureau of Statistics): No

Where a market transaction exists (for instance where an MNE engages a creative firm to design a campaign which is then purchased from them), the entire value should be considered as investment. Own-account investment is more difficult, and we should find ways to exclude the work done by graphic designers and creative directors that is unrelated to creating content. Some guidance around modelling would be useful. The fact that these things cannot be directly observed in all cases isn't a reason for exclusion, e.g., software is largely modelled, and presumably data will be too. Advertising campaigns aimed at recruitment should be excluded.

Brazil (IBGE (NSO)): Don't know/Not sure

Some marketing expenses have the purpose different than the fidelization of clients. There is the transactional marketing, for instance, which are expenses sales oriented only, their purpose is to close the sale at the moment for that consumer. There is also internal marketing, it comprehends expenses made in order to build a positive image of the company to its employees.

Canada (Statistics Canada): No

Cyprus (Cystat): Yes

Denmark (Statistics Denmark): Don't know/Not sure

Only the expenditure aimed at creating loyalty and trust in the long run by creating or maintaining a brand. However, we think it will be difficult to distinguish different types of marketing expenditure, so it can also be reflected in service lives.

Finland (Statistics Finland): No

Part of daily advertising (e.g., groceries) is hardly considered as investment.

Germany (Federal Statistical Office): No

No, not all advertising is expected to provide benefits over a longer period of time. Sale promotions or (e.g., weekly) advertising of specific products usually aim at activating customers and only provide short-term benefits while ad campaigns aimed at creating an image of a brand are expected to provide long-term benefits. All available data on advertising/marketing channels can and should be used to differentiate between types of advertising

Guinée (Institut National de la Statistique): Yes

Indonesia (BPS Statistics Indonesia): Don't know/Not sure

It is difficult to determine whether the advertisement expenditure is classified as investment or intermediate consumption

Iraq (central statistical organization): Don't know/Not sure

Because this spending may not continue to be reviewed from a fiscal year

Ireland (Central Statistics Office): Don't know/Not sure

It should be expenditure aiming to increase the long-term value of the brand. It will be difficult to distinguish between different types of advertising and marketing expenditure.

Israel (Central Bureau of Statistics): No

Not every marketing and advertising expenditure contributes to the creation of an asset in the future.

Italy (Istat - Italian National Institute of Statistics): Yes

In general terms, marketing expenditures are a key driver of the brand value of enterprises. Advertising a brand or a single product of the enterprise aims to develop and consolidate customer loyalty and trust over time and thus for periods of time longer than one year. For this reason, in our opinion, it is complied with the definition of fixed assets (SNA2008 10.11). However, practical difficulties remain in estimating GFCF in marketing assets.

Latvia (Central Statistical Bureau of Latvia): Yes

Well organized investments in brands and etc. normally increases its value.

Lebanon (CENTRAL BANK OF LEBANON): Yes

Marketing assets aim to make return on company's equity.

Malaysia (DEPARTMENTS OF STATISTICS MALAYSIA): Yes

In order to grow their businesses, companies must continually invest in creating new leads and new customers.

México (INEGI): Yes

As marketing is a system of research on the behavior of the market and the needs of consumers in order to attract, capture, retain and customers through the satisfaction of their wishes and resolution of their problems; investment in it leads to the brand being a relevant asset when competing with other brands of lesser recognition by the consumer, even when the product they offer in the market is of the same or better quality.

Nederland (Statistics Netherlands (also on behalf of the Dutch Central Bank)): No

Advertising and marketing expenditure should be considered as investment as long as it is aimed at

potential customers. Expenditure aimed at potential employees should be excluded as its goal is not to increase output but to attract capable personnel. If this kind of expenditure should be capitalized, including it in a separate asset (human capital, organizational structure) seems better to me. Expenditure on public awareness, for example on recycling, should also be excluded.

New Zealand (Statistics New Zealand): Don't know/Not sure

It looks very difficult to determine what advertising and marketing expenditure to include or not. The international accounting standards outline part of the challenge: "The cost of generating an intangible asset internally is often difficult to distinguish from the cost of maintaining or enhancing the entity's operations or goodwill. For this reason, internally generated brands, mastheads, publishing titles, customer lists and similar items are not recognized as intangible assets" <https://www.ifrs.org/issued-standards/list-of-standards/ias-38-intangible-assets/>

Peru (INEI): Yes

Advertising and marketing expenses contribute to generating value and brand recognition for companies, differentiating themselves from their competitors and obtaining preferences in global markets.

Poland (Statistics Poland): Don't know/Not sure

Since no numerical studies have been carried out so far, we are not sure if all advertising and marketing expenditures should be considered as investments.

Qatar (Planning and Statistics Authority): Yes

It is conceptually a better option to consider them as produced assets.

Senegal (Agence nationale de la Statistique et de la Démographie (ANSD)): No

Marketing expenses related to the promotion of a product resulting from research and development of manufactured goods should be considered as investment.

Singapore (Singapore Department of Statistics): No

Advertising and marketing expenditure could be considered as investment as

(1) Businesses make deliberate effort on advertising and marketing to increase the value of their goods or services. These marketing assets are used repeatedly in production to identify and differentiate products, and therefore to establish price and market share. In this regard, they should be considered as an investment.

(2) Data for the different types of advertising and marketing are unlikely to be available. Nonetheless, market entities' expenses on advertising and marketing largely serve the purposes to develop brand loyalty and product differentiation. Hence, all advertising and marketing expenditure could be considered as investment.

(3) Advertising and marketing expenditure by market entities are likely to be for the purpose of building up brand equity.

On the other hand, conceptually, advertising and marketing expenditures which do not bring about significant changes to a firm's brand equity should still be treated as intermediate consumption or compensation of employees. For example, distribution of flyers by small retailers informing about promotions available is unlikely to generate brand equity.

South Africa (South African Reserve Bank): Yes

Yes, all advertising and marketing expenditure can be recorded as investment in brand equity as it might be challenging to distinguish which types to report as investment and which not. Also Companies report it mostly as a single line item and we will not be able to differentiate.

South Korea (Bank of Korea): No

Marketing and advertising expenditures spent by corporations are not necessarily intended to create customer loyalty or trust, i.e., marketing assets. For example, there may be advertising expenditures for hiring employees.

Spain (SPANISH STATISTICAL OFFICE - INE): No

Only the advertising and marketing expenditure aimed at developing loyalty and trust with customers, not all the advertising expenditure made by the unit.

Thailand (BANK OF THAILAND): Yes

It indirectly contributes to increasing the value-added of the products and hence generates income for the company.

United Kingdom (UK Statistics Authority): No

Advertising and marketing can be intermediate consumption products, where an asset needs a service life of over 12 months. The U.K. notes a company's requirement to meet frequent exposure to advertising also questions the product's life length, which may vary across industrial sectors. Finally, we further note our concerns about advertising expenditure by different institutional units, which may aim to the dissemination of information for the public good, as opposed to the generation of revenue.

United States (Bureau of Economic Analysis): No

I believe that most advertising has the potential to create long-lived brand equity, and therefore potentially can be capitalized as an intangible asset. But there are clear exceptions. Classified ads which are placed by individuals selling a particular used item are very unlikely to create long-lived brand equity. And even classified ads which are placed by businesses are simple listings of goods or services available for sale that are unlikely to create long-lived brand equity. Finally, political advertising typically aims to maximize vote share in the short-term and becomes obsolete after the election.

1C. IF NOT, ARE THE DATA AVAILABLE IN YOUR COUNTRY TO DISTINGUISH BETWEEN THE DIFFERENT TYPES OF ADVERTISING AND MARKETING TO DETERMINE WHICH EXPENDITURE SHOULD BE CONSIDERED INVESTMENT?

Q1C	Frequency
Yes	1
No	17
Don't know/Not sure	4
No response	32
Total	54

Aruba (CBS): No

Australia (Australian Bureau of Statistics): Don't know/Not sure

Canada (Statistics Canada): No

Finland (Statistics Finland): No

Germany (Federal Statistical Office): No

Israel (Central Bureau of Statistics): No

Nederland (Statistics Netherlands (also on behalf of the Dutch Central Bank)): No

Senegal (Agence nationale de la Statistique et de la Démographie (ANSD)): No

Singapore (Singapore Department of Statistics): No

South Korea (Bank of Korea): Yes

Spain (SPANISH STATISTICAL OFFICE - INE): No

United Kingdom (UK Statistics Authority): Don't know/Not sure

1D. PLEASE ELABORATE

Australia (Australian Bureau of Statistics): It is unlikely that direct source data is available to exclude some types of advertising, though this has not been investigated by the ABS. It is likely that assumptions will need to be applied to the occupations and percentage of productive time spent on advertising and marketing by these occupations to exclude advertising such as for job vacancies etc.

Canada (Statistics Canada): this would be extremely difficult to differentiate

Germany (Federal Statistical Office): The structural business survey for the service industries asks marketing companies about revenue shares of different types of advertising channels and IT-service providers about the revenue share of ad financed online services. This information can be used to determine which expenditures on purchased ad and marketing services should be considered investment. Similar information is not available for own-account marketing expenditure. Assuming the same structure could be spurious.

Direct information on ad and marketing expenditures are not gathered.

Singapore (Singapore Department of Statistics): Advertising and marketing expenses from surveys or administrative data are usually available as an aggregate.

South Korea (Bank of Korea): In Korea, there are annual statistics such as a survey on 'Korea Advertising Expenditure Research' and monthly statistics such as 'The Amount of Advertising Expenses Spent by the Top 100 Advertisers.' However, it is difficult to immediately identify expenditures that can be classified as investments from these statistics. Therefore, a separate study or survey is needed to estimate the size of advertisements that can be classified as investments.

Spain (SPANISH STATISTICAL OFFICE - INE): We have a five-year survey called the Intermediate Consumption and Investment Survey where we can delve into business expenditures. In this case we would add a section on advertising and branding expenses.

United Kingdom (UK Statistics Authority): The U.K. follows a process where business surveys are set up to function using the SIC2007 and CPA2008 classifications. Therefore, to gather estimates on this asset, the U.K. may need to expand surveys, but currently the U.K. is unaware of surveys collecting information on a different product/industry definition. The U.K. currently models estimate using occupation

data from the Annual Survey of Hours and Earnings (ASHE).

The U.K. wishes to also address the conceptual challenge of recognition of non-market output source. For instance, OSCAR or other government expenditure source and information held by the Charities Commission on individual charity accounts for NPISH, may contain information on marketing investment, however, further work is needed to understand how this information can be extracted, as it is not currently directly identifiable.

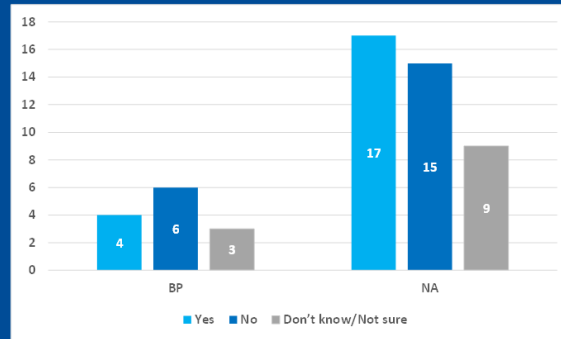
United States (Bureau of Economic Analysis): Yes and no. The classified share of newspaper advertising is available back to 1928 from official government sources like the Service Annual Survey, the Survey of Current Business, and the Statistical Abstract of the United States. The political share of advertising is available back to 1976 from Federal Elections Commission reports. These two datasets can be used to exclude advertising which is very likely short-lived and definitely should not be capitalized. However, many other types of short-lived advertising are difficult to identify. It may be true that industry sources in the United States provide detailed data on advertising expenditures by type or category. But I am not aware of any source, either industry or government, which splits short-lived advertising from long-lived advertising. In the absence of a specific source, national accountants may choose to use other methods to determine the share of advertising that is actually long-lived. This long-lived share of advertising could then be capitalized while the remainder of advertising is not capitalized.

2A. SHOULD THE ESTIMATION OF BRAND EQUITY BE LIMITED TO MARKET ENTITIES? 2B. PLEASE ELABORATE

Q2A	Frequency
Yes	21
No	21
Don't know/Not sure	12
Total	54

Brand Equity and Market Entities

Q2A: Should the estimation of brand equity be limited to market entities?



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Angola (National Statistics Office): No

Arab Republic of Egypt (The Central Agency for Public Mobilization and Statistics): Yes

Aruba (CBS): No

Australia (Australian Bureau of Statistics): No

It doesn't make sense to say that compilers are prohibited from accounting for brands owned by general government units and NPISHs, though the values are likely to be small relative to the corporations sector. Public broadcasters build brands, and they spend huge amounts of time and money on the task. The Australian Broadcasting Corporation (which is a general government unit, despite its name) and the British Broadcasting Corporation are excellent examples. If these units were privatized, the brand recognition they've built up over decades would be a large component of the acquisition price (though presumably we'd call it 'goodwill'). So there's a problem with the definition we discussed which centered on the idea that brands exist solely to drive demand and/or output. It's broader than that. Agree with the idea that there needs to be guidance specifically for non-market activity, but it should not be excluded from the concept.

Brazil (IBGE (NSO)): Yes

The purpose to develop loyalty and trust from the clients represents commercial value creation which derives from the perception of the client to the brand of a product or service, not of the product or service itself. Only market institutions have interest on developing commercial value of a brand. Publicity used by other institutions has the purpose of developing confidence in the product or service itself.

Canada (Statistics Canada): No

This distinction would be difficult to make. Governments also build brand equity to ensure they remain in power.

Cyprus (Cystat): Don't know/Not sure

Denmark (Statistics Denmark): Don't know/Not sure

For government it might be relevant to capitalize brand equity for example universities if possible.
For certain NPISH's it might be relevant, for example the red cross is a well-known brand.

Finland (Statistics Finland): Don't know/Not sure

Germany (Federal Statistical Office): Yes

Ad spending of governments usually aims at either personnel recruitment or increasing public awareness about specific issues and is not aimed at increasing sales/output over a period of more than one year. We therefore agree that the estimation should be limited to market entities.

Guinée (Institut National de la Statistique): Don't know/Not sure

Indonesia (BPS Statistics Indonesia): Don't know/Not sure

Iraq (central statistical organization): No

The government can be a producer of goods and services

Ireland (Central Statistics Office): Yes

It is unclear how we account for brand equity in the case of state activities such as tourism promotion and industrial development.

Israel (Central Bureau of Statistics): No

Only in some cases of NPISH should it be an asset. (like Israel's state lottery)

Italy (Istat - Italian National Institute of Statistics): Yes

In our opinion, all types of advertising and marketing expenditures made by General Government and NPISHs should not to be classified as assets. For these two sectors, such expenditures are not intended to increase the volume or value of sales and profits, thus not affecting the commercial value of the institutional unit's equity. Advertising and marketing expenditures incurred by General Government and NPISHs should be treated in the national accounts as current expenditures supporting the production of General Government and NPISHs, which by definition is not market oriented. Moreover, like any other non-financial asset, marketing assets should be saleable and marketable to another unit. In the case of non-market units, it seems that this requirement is absent (there is no market).

Latvia (Central Statistical Bureau of Latvia): Yes

For simplicity purposes. And non-market (and non-monopoly) entities rarely enter free market competition.

Lebanon (CENTRAL BANK OF LEBANON): Yes

Governments' advertisements are carried on through third party agents

Malaysia (DEPARTMENTS OF STATISTICS MALAYSIA): No

Branding has rapidly emerged as one of the important governance strategies in the public sector. Branding is frequently used to promote public organizations, policies or services.

México (INEGI): No

Within the government there are many research institutes that may well be contributing to the construction of a brand, in the same way that the society does; however, the difficulty arises in the valuation and separation of the amounts of expenses incurred specifically in the construction of the brand.

Nederland (Statistics Netherlands (also on behalf of the Dutch Central Bank)): No

In principle non-market producers may build brand names, but the default should be not to capitalize their expenditure. Only when “proven” plausible should expenditure by government and NPISH be capitalized.

New Zealand (Statistics New Zealand): Yes

The difficulty in separately identifying the expenses which to capitalize would be more difficult for non-market activity given these expenses may be related to public awareness rather than building brand.

Peru (INEI): Yes

In the case of the Government sector, there is insufficient detail in financial and budget information to distinguish between advertising associated with a brand and the government's function of informing the public.

Poland (Statistics Poland): Yes

In this question brand-equity is understood as a goodwill. Thus, in our understanding the company's (brand) value arises only when one entity is taken over by another.

Qatar (Planning and Statistics Authority): Yes

Senegal (Agence nationale de la Statistique et de la Démographie (ANSD)) : Yes

Singapore (Singapore Department of Statistics): Don't know/Not sure

The estimation of brand equity should be limited to market entities as the proportion of the advertising expenses incurred by government and NPISHs related to brand-equity should be relatively small. We should consider adopting a more prudent approach to exclude the estimation of brand equity from non-market entities such as government and NPISHs.

On the other hand, while we note the practical difficulties in distinguishing between advertising relating to brand-equity from informing/educating the public, this is similar to the difficulties faced by market entities (i.e., identifying advertising and marketing expenses that increases brand equity). Conceptually, the estimation of brand equity should not be limited to market entities if it is present for non-market entities.

South Africa (South African Reserve Bank): Yes

Any entity that trade needs to be able to have brand equity, even if zero. Limit to market entities as it would be difficult to separate brand equity for government and include state owned enterprises.

South Korea (Bank of Korea): Yes

As mentioned in the text, most advertisements or campaigns by government or non-profit organizations are not intended to enhance brand equity. It is conducted to achieve the purpose of raising public interest or educating the public on a specific issue.

Spain (SPANISH STATISTICAL OFFICE - INE): No

In the case of non-market units, these expenses would be considered from final consumption expenditure to investment. Therefore, its final impact would be minimal (or only through the new CFC generated). Even so, we consider that the definition should be applied in the same way to all units.

Thailand (BANK OF THAILAND): Yes

Seems insignificant & irrelevant as compared to that of market entities

United Kingdom (UK Statistics Authority): No

Although the U.K. has marked 2A. as “No” the U.K. wishes to assure that this is a Tentative “Yes”.

The U.K. recognizes the challenges in collecting the information.

The U.K. wishes to raise further questions such as, if the “use” of this asset was not measured in the non-market sector as GFCF, how would we account for its “supply” in the IO-SU tables? Additionally, what would be done with the product split across sectors? Would GFCF for market output and intermediate consumption be treated the same product as non-market output? If this is likely to be the case, the U.K. would like to raise the complexity and incoherence on the balancing process.

The U.K. has identified that Branding has become more of a fundamental role in fundraising and there should be coherence across all sectors of the economy. It is also noticeable that Government Departments are increasing funds spent to establish greater branding and logos. In addition, Regulatory authorities (which are typically non-market output) will also invest funds in establishing a “brand” or “logo” to raise awareness with users and producers and to establish credibility. However, we recommend caution on the degree that these are treated by the public and the relevant authorities as “branding” or dissemination of information for the public good, as per the role of government.

The U.K. would further mention when estimating non-market output the sum of costs models in use would also need alteration. Excluding this product from GFCF would mean there is no consumption of fixed capital and therefore the output of the non-market output sectors would be less comparable to that of the market output. This may introduce further divergence between these sectors, making their activities less comparable across the sequence of accounts.

Further to this, it will create imbalance between the financial and non-financial accounts, thus distorting the capital account in the non-market output sectors.

United States (Bureau of Economic Analysis): No

I believe that similar advertising campaigns should be tracked the same way regardless of which sector provides the advertising and which sector buys the advertising. This consistent treatment can be justified by three related theoretical factors:

- i) Organizations which purchase advertising generally don't care whether it's provided by a for-profit business, a government, or a non-profit. And if the advertising is purchased through an intermediary, then they might not even know the sector of the provider
- ii) Organizations which sell advertising don't care whether it's sold to a for-profit business, a government, or a non-profit. And if it's sold through an intermediary, then they might not even know the sector of their user.
- iii) Individuals who view advertising are often both unaware and uninterested in which sector provides the advertising and which sector buys the advertising.

For example, suppose that a medical journal runs an ad for a hospital system. Some medical journals are published by for-profit businesses and others are published by non-profits (Dorsey 2011). Conversely, some hospital systems are for-profit businesses, others are non-profits, and still others are government-run. But the actual ads are basically the same regardless of which sector publishes the ad and which sector buys the ad. Accordingly, there is no theoretical reason to capitalize one category of advertising but not capitalize another category.

Empirical measurement is also simpler if all advertising campaigns are tracked the same way. Surveys of advertising purchasers generally do not ask the sector which sold the advertising. Conversely, surveys of advertising sellers generally do not ask the sector which bought the advertising. And surveys of advertising viewers do not ask either the sector of purchaser or the sector of the seller. Given these data limitations, it would be a huge project for national accountants to split aggregate advertising by both the

sector of the purchaser and the sector of the seller. Hence, I strongly prefer official guidelines in which total investment is not sensitive to the precise split of advertising between the sectors. Even if government and non-profit advertising is capitalized, measured GDP might still depend on the advertising sector. In the for-profit business sector, measured value added increases by the same amount as the newly tracked investment. Owner-occupied housing is treated as production in the NIPAs, and therefore advertising by homeowners or by real estate agents acting on their behalf adds to measured real estate sector value added (U.N. Statistics Division 2008, sec. 6.37). In the non-profit and government sector, measured value added increases by the same amount as the newly tracked consumption of fixed capital (CFC). In practice, advertising has a short enough lifespan that investment is generally close to CFC and measured GDP is similar however advertising is split between sectors. Of course, even a full accounting of advertising and marketing addresses only part of overall brand equity. In a sense, this line of work is a natural generalization of the pioneering work of Corrado, Hulten, and Sichel. However, the discussion above focuses on advertising and marketing because it is responding to a questionnaire that focuses on advertising and marketing. In addition, stocks of advertising and marketing (both purchased and own-account) are certain to be key elements in any measure of brand equity in general.

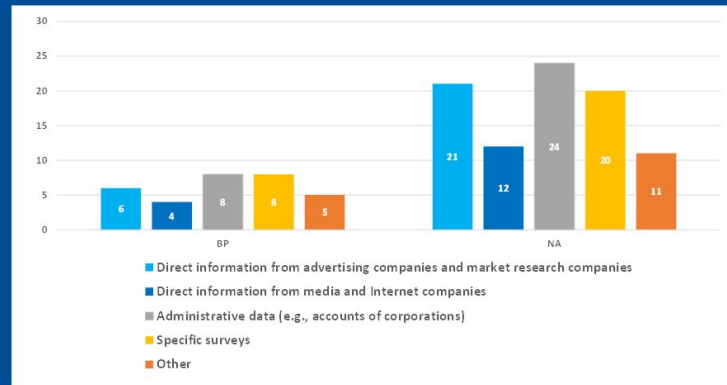
3. PLEASE LIST THE POSSIBLE DATA SOURCES TO ESTIMATE ADVERTISING AND MARKETING EXPENDITURE AVAILABLE IN YOUR COUNTRY (SELECT ALL THAT APPLY):

1. Direct information from advertising companies and market research companies 2. Direct information from media and Internet companies 3. Administrative data (e.g., accounts of corporations) 4. Specific surveys 5. Other - please specify:

Q3	Frequency
Direct information from advertising companies and market research companies	27
Direct information from media and Internet companies	16
Administrative data (e.g., accounts of corporations)	32
Specific surveys	28
Other	16

Availability of Data Sources

Q3: Please list the possible data sources to estimate advertising and marketing expenditure available in your country (select all that apply):



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Others:

1	Trading partner statistics
2	Structural Business Survey for the service industry; additional questionnaire attached to the Structural Business Survey for the service industry
3	BOP – Look at capital account transactions in the BOP data. Purchase and sale of non-financial assets (i.e., brands). Look at cross border transactions in advertising services.
4	Note regarding administrative data: financial statements are not a suitable data source to use for estimating GFCF on marketing assets (partial and not easily identifiable information).
5	In the absence of surveys to the private sector, the only possible data source is banks' reporting through the International Transaction Reporting System (ITRS)
6	In our SBS survey, a question on the cost of sales is included. This can be used for the breakdown of advertising and marketing expenses into industries.
7	Possibly total sales from annual enterprise survey for advertising and market research companies. Product information from supply-use tables although would need more regular updates. Probably need to run a specific costly collection for this.
8	SBS; Report on Structure of Earnings in October; Report on ITSS; Report on costs concerning materials, energy and external services and inventory values. These data sources provide some information that concern advertising and marketing expenditure.
9	The Annual Economic Survey includes advertisement as one of the expenditure items reported by the establishments.
10	Intermediate Consumption and Investment Survey, specific module
11	The current account survey. In addition, we do not know whether direct information can be purchased from advertising and market research, media and internet companies. But we have access to micro-data from the production and value-added statistics survey
12	-

Angola (National Statistics Office): Direct information from advertising companies and market research companies; Direct information from media and Internet companies

Arab Republic of Egypt (The Central Agency for Public Mobilization and Statistics): Direct information from advertising companies and market research companies; Direct information from media and Internet companies; Administrative data (e.g., accounts of corporations); Specific surveys

Aruba (CBS): -

Australia (Australian Bureau of Statistics): Direct information from advertising companies and market research companies; Direct information from media and Internet companies; Administrative data (e.g., accounts of corporations); Specific surveys

Brazil (IBGE (NSO)): Direct information from advertising companies and market research companies

Canada (Statistics Canada): Administrative data (e.g., accounts of corporations); Specific surveys; Other - please specify:

Cyprus (Cystat): Administrative data (e.g., accounts of corporations); Specific surveys

Denmark (Statistics Denmark): Administrative data (e.g., accounts of corporations)

Finland (Statistics Finland): Administrative data (e.g., accounts of corporations)

Germany (Federal Statistical Office): Other - please specify:

Guinea (Institut National de la Statistique): Direct information from advertising companies and market research companies; Direct information from media and Internet companies

Indonesia (BPS Statistics Indonesia): Administrative data (e.g., accounts of corporations)

Iraq (central statistical organization): Direct information from advertising companies and market research companies; Direct information from media and Internet companies; Specific surveys

Ireland (Central Statistics Office): Direct information from advertising companies and market research companies; Direct information from media and Internet companies; Administrative data (e.g., accounts of corporations); Other - please specify:

Israel (Central Bureau of Statistics): Direct information from advertising companies and market research companies; Administrative data (e.g., accounts of corporations)

Italy (Istat - Italian National Institute of Statistics): Direct information from advertising companies and market research companies; Administrative data (e.g., accounts of corporations); Other - please specify:

Latvia (Central Statistical Bureau of Latvia): Specific surveys

Lebanon (CENTRAL BANK OF LEBANON): Other - please specify:

Malaysia (DEPARTMENTS OF STATISTICS MALAYSIA): Direct information from advertising companies and market research companies; Direct information from media and Internet companies; Administrative data (e.g., accounts of corporations); Specific surveys

México (INEGI): Specific surveys

Nederland (Statistics Netherlands (also on behalf of the Dutch Central Bank)): Direct information from advertising companies and market research companies; Other - please specify:

New Zealand (Statistics New Zealand): Other - please specify:

Peru (INEI): Administrative data (e.g., accounts of corporations); Specific surveys

Poland (Statistics Poland): Other - please specify:

Qatar (Planning and Statistics Authority): Administrative data (e.g., accounts of corporations); Other - please specify:

Senegal (Agence nationale de la Statistique et de la Démographie (ANSD)): Direct information from advertising companies and market research companies; Specific surveys

Singapore (Singapore Department of Statistics): Administrative data (e.g., accounts of corporations); Specific surveys

South Africa (South African Reserve Bank): Direct information from advertising companies and market research companies; Direct information from media and Internet companies; Administrative data (e.g., accounts of corporations); Specific surveys

South Korea (Bank of Korea): Direct information from advertising companies and market research companies; Administrative data (e.g., accounts of corporations); Specific surveys

Spain (SPANISH STATISTICAL OFFICE - INE): Direct information from advertising companies and market research companies; Other - please specify:

Thailand (BANK OF THAILAND): Direct information from advertising companies and market research companies; Direct information from media and Internet companies; Specific surveys

United Kingdom (UK Statistics Authority): Administrative data (e.g., accounts of corporations); Specific surveys

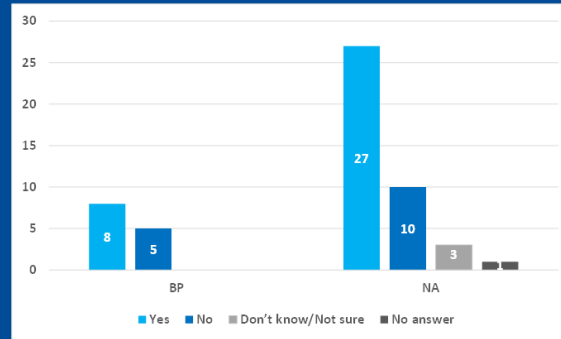
United States (Bureau of Economic Analysis): Direct information from advertising companies and market research companies; Direct information from media and Internet companies; Administrative data (e.g., accounts of corporations); Specific surveys; Other - please specify:

4. DO YOU HAVE INFORMATION ON OCCUPATIONS CLASSIFIED BY TYPE BASED ON THE INTERNATIONAL STANDARD CLASSIFICATION OF OCCUPATIONS (OR SIMILAR CLASSIFICATION)?

Q4	Frequency
Yes	35
No	15
Don't know/Not sure	3
No response	1
Total	54

Availability of Data on Occupations

Q4: Do you have information on occupations classified by type based on the International Standard Classification of Occupations (or similar classification)?



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Angola (National Statistics Office): Yes

Arab Republic of Egypt (The Central Agency for Public Mobilization and Statistics): No (skip to Q6)

Aruba (CBS): No (skip to Q6)

Australia (Australian Bureau of Statistics): Yes

Brazil (IBGE (NSO)): No (skip to Q6)

Canada (Statistics Canada): Yes

Cyprus (Cystat): Yes

Denmark (Statistics Denmark): Yes

Finland (Statistics Finland): Yes

Guinée (Institut National de la Statistique): Yes

Indonesia (BPS Statistics Indonesia): No (skip to Q6)

Iraq (central statistical organization): Yes

Ireland (Central Statistics Office): Yes

Israel (Central Bureau of Statistics): Don't know/Not sure (skip to Q6)

Italy (Istat - Italian National Institute of Statistics): Yes

Latvia (Central Statistical Bureau of Latvia): Yes

Lebanon (CENTRAL BANK OF LEBANON): No (skip to Q6)

Malaysia (DEPARTMENTS OF STATISTICS MALAYSIA): Yes

México (INEGI): Yes

Nederland (Statistics Netherlands (also on behalf of the Dutch Central Bank)): Yes

New Zealand (Statistics New Zealand): No (skip to Q6)

Peru (INEI): Yes

Poland (Statistics Poland): Yes

Qatar (Planning and Statistics Authority): Yes

Senegal (Agence nationale de la Statistique et de la Démographie (ANSD)): No (skip to Q6)

Singapore (Singapore Department of Statistics): Yes

South Africa (South African Reserve Bank): Don't know/Not sure (skip to Q6)

South Korea (Bank of Korea): Yes

Spain (SPANISH STATISTICAL OFFICE - INE): Yes

Thailand (BANK OF THAILAND): No (skip to Q6)

United Kingdom (UK Statistics Authority): Yes

United States (Bureau of Economic Analysis): Yes

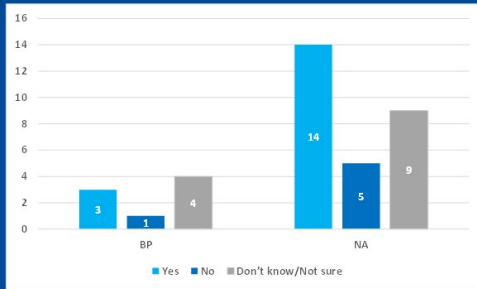
5A. IF YES, BASED ON THE AVAILABLE DATA SOURCES, IS IT POSSIBLE TO DETERMINE THE OCCUPATIONS INVOLVED IN THE OWN-ACCOUNT PRODUCTION OF MARKETING ASSETS? 5B. IF YES, WHICH OCCUPATIONS SHOULD BE INCLUDED? PLEASE IDENTIFY ACCORDING TO INTERNATIONAL STANDARD CLASSIFICATION OF OCCUPATIONS (OR SIMILAR CLASSIFICATION).

Q5A	Frequency
Yes	17
No	6
Don't know/Not sure	13
No response	18
Total	54

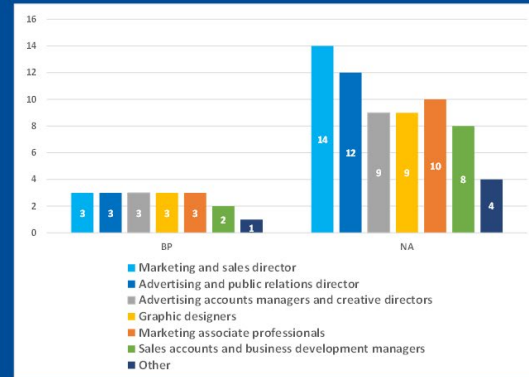
Q5B	Frequency
Marketing and sales director	17
Advertising and public relations director	15
Advertising accounts managers and creative directors	12
Graphic designers	12
Marketing associate professionals	13
Sales accounts and business development managers	10
Others	5

Availability of Data on Occupations

Q5A: If yes, based on the available data sources, is it possible to determine the occupations involved in the own-account production of marketing assets?



Q5B: If yes, which occupations should be included? Please identify according to International Standard Classification of Occupations (or similar classification).



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Others

1	General comment: it will be necessary to assign appropriate weights/shares to the different categories
2	Social media influencer?
3	Public relations and advertising clerks
4	Occupations to cover those which communicate a company's message to the world. For example, website creators and smartphone app developers could be in-scope after additional analysis to determine how much of this messaging is long-lived.

Angola (National Statistics Office): Don't know/Not sure (skip to Q6)

Australia (Australian Bureau of Statistics): Don't know/Not sure (skip to Q6)

Canada (Statistics Canada): No (skip to Q6)

Cyprus (Cystat): Don't know/Not sure (skip to Q6)

Denmark (Statistics Denmark): Yes

Marketing and sales director; Advertising and public relations director; Advertising accounts managers and creative directors; Graphic designers; Marketing associate professionals; Sales accounts and business development managers; Other - please specify:

Finland (Statistics Finland): Yes

Marketing and sales director; Advertising and public relations director; Advertising accounts managers and creative directors; Graphic designers; Marketing associate professionals; Other - please specify:

Germany (Federal Statistical Office): Yes

Marketing and sales director; Advertising and public relations director; Advertising accounts managers

and creative directors; Graphic designers; Marketing associate professionals; Sales accounts and business development managers

Guinea (Institut National de la Statistique): Yes

Marketing and sales director

Iraq (central statistical organization): Yes

Marketing and sales director; Advertising and public relations director; Marketing associate professionals; Sales accounts and business development managers

Ireland (Central Statistics Office): Don't know/Not sure (skip to Q6)

Italy (Istat - Italian National Institute of Statistics): Don't know/Not sure (skip to Q6)

Latvia (Central Statistical Bureau of Latvia): Don't know/Not sure (skip to Q6)

Malaysia (DEPARTMENTS OF STATISTICS MALAYSIA): Don't know/Not sure (skip to Q6)

México (INEGI): Yes

Marketing and sales director; Advertising and public relations director

Nederland (Statistics Netherlands (also on behalf of the Dutch Central Bank)): Don't know/Not sure (skip to Q6)

Peru (INEI): No (skip to Q6)

Poland (Statistics Poland): Yes

Marketing and sales director; Advertising and public relations director; Graphic designers; Marketing associate professionals

Qatar (Planning and Statistics Authority): No (skip to Q6)

Singapore (Singapore Department of Statistics): Yes

Marketing and sales director; Advertising and public relations director; Advertising accounts managers and creative directors; Graphic designers; Marketing associate professionals; Sales accounts and business development managers

South Korea (Bank of Korea): Yes

Marketing and sales director; Advertising and public relations director; Advertising accounts managers and creative directors; Other - please specify:

Spain (SPANISH STATISTICAL OFFICE - INE): Yes

Marketing and sales director; Advertising and public relations director; Advertising accounts managers and creative directors; Graphic designers; Marketing associate professionals; Sales accounts and business development managers

United Kingdom (UK Statistics Authority): Yes

Marketing and sales director; Advertising and public relations director; Advertising accounts managers and creative directors; Graphic designers; Marketing associate professionals; Sales accounts and business development managers

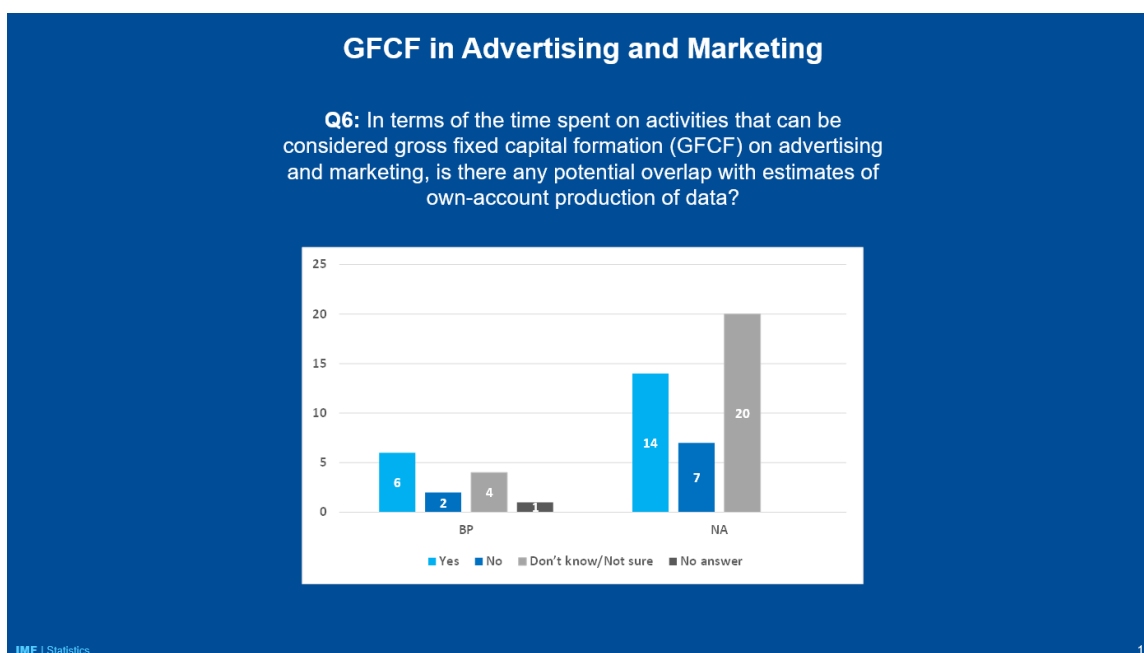
United States (Bureau of Economic Analysis): Yes

Marketing and sales director; Advertising and public relations director; Advertising accounts managers

and creative directors; Graphic designers; Marketing associate professionals; Sales accounts and business development managers; Other - please specify:

6. IN TERMS OF THE TIME SPENT ON ACTIVITIES THAT CAN BE CONSIDERED GROSS FIXED CAPITAL FORMATION (GFCF) ON ADVERTISING AND MARKETING, IS THERE ANY POTENTIAL OVERLAP WITH ESTIMATES OF OWN-ACCOUNT PRODUCTION OF DATA?

Q6	Frequency
Yes	20
No	9
Don't know/Not sure	24
No response	1
Total	54



Angola (National Statistics Office): Don't know/Not sure

Arab Republic of Egypt (The Central Agency for Public Mobilization and Statistics): Yes

Aruba (CBS): Don't know/Not sure

Australia (Australian Bureau of Statistics): Yes

Brazil (IBGE (NSO)): Don't know/Not sure

Canada (Statistics Canada): Yes

Cyprus (Cystat): Yes

Denmark (Statistics Denmark): Yes

Finland (Statistics Finland): Yes

Germany (Federal Statistical Office): Yes

Guinea (Institut National de la Statistique): Don't know/Not sure

Indonesia (BPS Statistics Indonesia): Don't know/Not sure

Iraq (central statistical organization): Yes

Ireland (Central Statistics Office): Don't know/Not sure

Israel (Central Bureau of Statistics): Don't know/Not sure

Italy (Istat - Italian National Institute of Statistics): No

Latvia (Central Statistical Bureau of Latvia): No

Lebanon (CENTRAL BANK OF LEBANON): Don't know/Not sure

Malaysia (DEPARTMENTS OF STATISTICS MALAYSIA): Don't know/Not sure

México (INEGI): Don't know/Not sure

Nederland (Statistics Netherlands (also on behalf of the Dutch Central Bank)): Yes

New Zealand (Statistics New Zealand): Yes

Peru (INEI): No

Poland (Statistics Poland): Don't know/Not sure

Qatar (Planning and Statistics Authority): Don't know/Not sure

Senegal (Agence nationale de la Statistique et de la Démographie (ANSD)): Don't know/Not sure

Singapore (Singapore Department of Statistics): Yes

South Africa (South African Reserve Bank): Don't know/Not sure

South Korea (Bank of Korea): Don't know/Not sure

Spain (SPANISH STATISTICAL OFFICE - INE): No

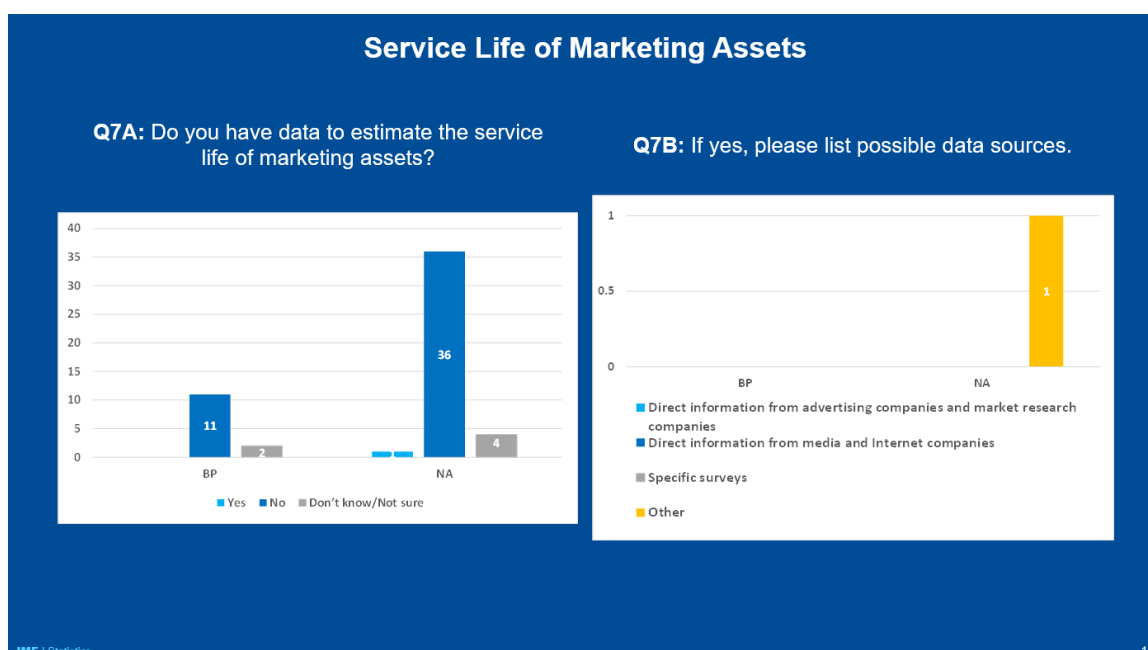
Thailand (BANK OF THAILAND): Don't know/Not sure

United Kingdom (UK Statistics Authority): Yes

United States (Bureau of Economic Analysis): No

7A. DO YOU HAVE DATA TO ESTIMATE THE SERVICE LIFE OF MARKETING ASSETS? 7B. IF YES, PLEASE LIST POSSIBLE DATA SOURCES.

Q7A	Frequency
Yes	1
No	47
Don't know/Not sure	6
Total	54



Angola (National Statistics Office): Don't know/Not sure

Arab Republic of Egypt (The Central Agency for Public Mobilization and Statistics): No

Aruba (CBS): No

Australia (Australian Bureau of Statistics): No

Brasil (IBGE (NSO)): No

Canada (Statistics Canada): No

Cyprus (Cystat): No

Denmark (Statistics Denmark): No

Finland (Statistics Finland): No

Germany (Federal Statistical Office): No

Guinée (Institut National de la Statistique): No

Indonesia (BPS Statistics Indonesia): No

Iraq (central statistical organization): No

Ireland (Central Statistics Office): No

Israel (Central Bureau of Statistics): No

Italy (Istat - Italian National Institute of Statistics): No

Latvia (Central Statistical Bureau of Latvia): No

Lebanon (CENTRAL BANK OF LEBANON): No

Malaysia (DEPARTMENTS OF STATISTICS MALAYSIA): No

México (INEGI): No

Nederland (Statistics Netherlands (also on behalf of the Dutch Central Bank)): No

New Zealand (Statistics New Zealand): No

Peru (INEI): No

Poland (Statistics Poland): No

Qatar (Planning and Statistics Authority): No

Senegal (Agence nationale de la Statistique et de la Démographie (ANSD)): No

Singapore (Singapore Department of Statistics): No

South Africa (South African Reserve Bank): Don't know/Not sure

South Korea (Bank of Korea): No

Spain (SPANISH STATISTICAL OFFICE - INE): No

Thailand (BANK OF THAILAND): Don't know/Not sure

United Kingdom (UK Statistics Authority): No

United States (Bureau of Economic Analysis): Yes

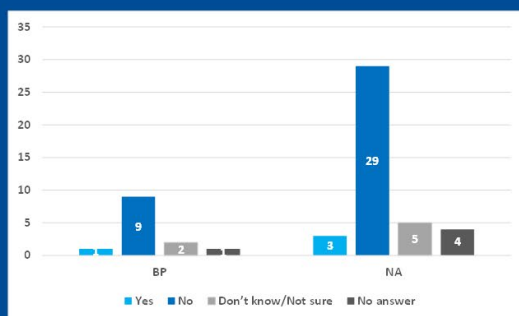
Other - please specify:

8A. DO YOU HAVE ANY DATA TO DERIVE VOLUME ESTIMATES OF MARKETING ASSETS? 8B. IF YES, PLEASE LIST THE POSSIBLE DATA SOURCES FOR ESTIMATES OF VOLUME MEASURES OR DEFLATORS FOR MARKETING ASSETS AVAILABLE IN YOUR COUNTRY (SELECT ALL THAT APPLY):

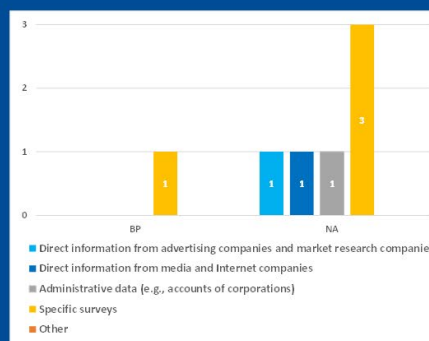
Q8A	Frequency
Yes	4
No	38
Don't know/Not sure	7
No response	5
Total	54

Volume Estimates of Marketing Assets

Q8A: Do you have any data to derive volume estimates of marketing assets?



Q8B: If yes, please list the possible data sources for estimates of volume measures or deflators for marketing assets available in your country (select all that apply): Do you have any data to derive volume estimates of marketing assets?



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Angola (National Statistics Office): Don't know/Not sure (skip to Q9)

Arab Republic of Egypt (The Central Agency for Public Mobilization and Statistics): No (skip to Q9)

Aruba (CBS): No (skip to Q9)

Australia (Australian Bureau of Statistics): No (skip to Q9)

Brazil (IBGE (NSO)): No (skip to Q9)

Canada (Statistics Canada): No (skip to Q9)

Cyprus (Cystat): No (skip to Q9)

Denmark (Statistics Denmark): No (skip to Q9)

Finland (Statistics Finland): No (skip to Q9)

Germany (Federal Statistical Office): Don't know/Not sure (skip to Q9)

Guinée (Institut National de la Statistique): No (skip to Q9)

Indonesia (BPS Statistics Indonesia): No (skip to Q9)

Iraq (central statistical organization): No (skip to Q9)

Ireland (Central Statistics Office): No (skip to Q9)

Israel (Central Bureau of Statistics): Don't know/Not sure (skip to Q9)

Italy (Istat - Italian National Institute of Statistics):

-

Latvia (Central Statistical Bureau of Latvia): No (skip to Q9)

Lebanon (CENTRAL BANK OF LEBANON): No (skip to Q9)

Malaysia (DEPARTMENTS OF STATISTICS MALAYSIA):

-

México (INEGI): No (skip to Q9)

Nederland (Statistics Netherlands (also on behalf of the Dutch Central Bank)): Yes
Specific surveys

New Zealand (Statistics New Zealand): No (skip to Q9)

Peru (INEI): No (skip to Q9)

Poland (Statistics Poland): No (skip to Q9)

Qatar (Planning and Statistics Authority): No (skip to Q9)

Senegal (Agence nationale de la Statistique et de la Démographie (ANSD)):

-

Singapore (Singapore Department of Statistics): No (skip to Q9)

South Africa (South African Reserve Bank): Don't know/Not sure (skip to Q9)

South Korea (Bank of Korea): No (skip to Q9)

Spain (SPANISH STATISTICAL OFFICE - INE): No (skip to Q9)

Thailand (BANK OF THAILAND): Don't know/Not sure (skip to Q9)

United Kingdom (UK Statistics Authority): No (skip to Q9)

United States (Bureau of Economic Analysis): Yes

Direct information from advertising companies and market research companies; Direct information from media and Internet companies; Administrative data (e.g., accounts of corporations); Specific surveys

8C. PLEASE DESCRIBE ANY ADDITIONAL CHALLENGES FORESEEN IN THE COMPILATION OF ESTIMATES OF VOLUME MEASURES FOR ADVERTISING AND MARKETING ASSETS.

United States (Bureau of Economic Analysis): Specific surveys are the simplest method to calculate an index of real marketing asset investment. The Bureau of Labor Statistics publishes producer price indexes for media companies and advertising agencies. National accountants can easily combine those price indexes with an estimate of nominal investment and then calculate real investment. However, these producer price indexes are not available historically and not available in all countries. Therefore, they cannot be used to calculate consistent measures of real marketing assets over time and across countries. One could consider using time use studies as a way to calculate an index of real marketing investment. Television and radio airtime are explicitly priced in cost per viewer minute and other advertising prices are generally highly correlated with cost per viewer minute. Because of this industry norm, companies like Nielsen and Arbitron have been working for decades to measure advertising viewership consistently over time and across countries. The paper "Free" Internet Content: Web 1.0, Web 2.0 and the Sources of Economic Growth" combined data from those companies with government surveys and other industry sources to estimate advertising viewership in the United States back to 1929. The methodology used in

that paper could be adapted to calculate consistent measures of real marketing assets over time and across countries.

8c. Quality adjustment is a major challenge to national accountants seeking to measure advertising volume. In this context, the quality of advertising is defined as the amount of persuasion (or additional brand equity) that is contained in each minute of advertising. The accounts typically use standard measures of advertising prices, whereas some economists suggest that the quality-adjusted price of marketing has declined drastically with increasing reliance on the Internet. Quality may also change due to cultural trends or other factors unrelated to technology.

Of course, marketing involves many issues beyond stocks of purchased advertising or own-account labor inputs. For example, the total value of a restaurant franchise likely includes accumulated loyalty from meals enjoyed in the past, a stock of online customer reviews, and other marketing-related assets that cannot be created simply by running a television commercial. Over time, the statistical agencies and university researchers will investigate these issues, and many other related issues, and determine how to integrate them into measured marketing capital. The basic point is that fundamental stocks of purchased and own-account marketing can be measured sensibly and that such work will stimulate much further complementary research.

9. IN ORDER TO MAXIMIZE TRANSPARENCY, WE WOULD LIKE TO PUBLISH RESPONSES TO GLOBAL CONSULTATIONS. DO YOU GIVE CONSENT THAT YOUR RESPONSE TO THIS QUESTIONNAIRE CAN BE PUBLISHED?

Q9	Frequency
Yes	41
No	13
Total	54