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Measuring Marketing Assets Compilation Guide

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Measuring Marketing Assets Compilation Guide

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Foreword

[To be included]

Preface and acknowledgements

The Intersecretariat Working Group on National Accounts (ISWGNA) established the Task Team on Measuring Knowledge-Based Capital (Marketing Assets) (known as the Marketing Assets Task Team or "MATT") in 2023 to advance the SNA research agenda by developing guidance on how to measure marketing assets as produced assets. The MATT was chaired by Jennifer Ribarsky (IMF) and the secretarial support was provided by Thomas Alexander and Margarida Martins (IMF). Other members of the MATT were, in alphabetical order by country and international organization, Jason Annabel (Australia), Andreas Dollt and Daniel Iscru (Eurostat), Andrew Baer, Eurydice Fotopoulou, Patrick Quill, and Philip Stokoe (IMF), John Sheridan (Ireland), Klaas de Vries (the Netherlands), Mamiko Ozaki, Tatsuya Sekiguchi, Tomohiro Yamazaki, Akifumi Yamamoto (Japan), Tsholofelo Shumba (South Africa), Sixto Muriel (Spain), David Matthewson and Laura Reynoldson (United Kingdom), Rachel Soloveichik (United States), Herman Smith (United Nations Statistics Department), Kathryn Young (World Bank); Pete Harper and Peter van de Ven (SNA editorial team); John Mitchell and Joseph Haynes (IMF-hired experts)

The *Compilation Guide on Measuring Marketing Assets* was drafted by Thomas Alexander, Andrew Baer, Eurydice Fotopoulou, Patrick Quill, and Jennifer Ribarsky (IMF) and John Mitchell (IMF-hired expert). Joseph Haynes (IMF-hired expert) also contributed to an initial draft chapter. The country case studies were provided by (country example, author(s)): Ireland: John Sheridan, the Netherlands: Klaas de Vries, Japan: Tatsuya Sekiguchi, Spain: Sixto Muriel, United Kingdom: David Matthewson and Laura Reynoldson, United States: Rachel Soloveichik.

The development of the guidance was overseen by Erich Strassner (IMF).

The guide also benefited from comments received from the Advisory Expert Group on National Accounts, Eurostat's National Accounts Working Group, the OECD's Working Party on National Accounts and a global consultation conducted on behalf of the Inter-Secretariat Working Group on National Accounts (ISWGNA).

Contents

Acronyms

2008 SNA	System of National Accounts, 2008
2025 SNA	System of National Accounts, 2025
AEG	Advisory Expert Group on National Accounts
ASHE	Annual Survey of Hours and Earnings
BEA	Bureau of Economic Analysis, United States
BLS	Bureau of Labor Statistics, United States
BOPCOM	IMF Committee on Balance of Payments Statistics
BPM	Balance of Payments Manual
COFOG	Classification of the Functions of Government
CPA	Classification of Products by Activity
CPC	Central Product Classification
EBOPS	Extended Balance of Payments Services Classification
GFCF	Gross Fixed Capital Formation
GFSM 2014	Government Finance Statistics Manual, 2014
IMF	International Monetary Fund
IPP	Intellectual property product
ISCO	International Standard Classification of Occupations
ISWGNA	Intersecretariat Working Group on National Accounts
LCU	Large Cases Unit
LFS	Labor Force Survey
MNE	Multinational Enterprise
MSITS, 2010	Manual on Statistics of International Trade in Services, 2010
NAICS	North American Industry Classification System
NPI	Non-profit Institution
NSO	National statistics office
NPISH	Non-Profit Institutions Serving Households
OECD	Organisation for Economic Co-operation and Development
ONET	Occupational Information Network
ONS	Office for National Statistics, United Kingdom
PIM	Perpetual Inventory Method
PPI	Producer price index
R&D	Research and Development
SAS	Services Annual Survey
SNA	System of National Accounts
SOC	Standard Occupational Classification
UNSC	United Nations Statistical Commission

Guidance on the Measurement of Marketing Assets

Chapter 1 – Introduction

What is this guide about?

1. Both the 2025 System of National Accounts (2025 SNA) and the Integrated Balance of Payments and International Investment Position Manual, seventh edition (BPM7) classify marketing assets as non-produced non-financial assets—assets that come into existence other than through process of production—in the sequence of economic accounts. In the 2025 SNA, marketing assets are only recognized on the balance sheet in the sequence of economic accounts when there are identifiable explicit purchases of the marketing assets. Additionally, the value of marketing assets can also be embedded in the value of purchased goodwill if they are not separately identified. Purchased goodwill is also recognized on the balance sheet in the sequence of economic accounts.[1]

2. During the 2008 SNA update work program, endorsed by the United Nations Statistical Commission (UNSC) in 2021, determining whether marketing assets should be considered as produced assets was part of the main research questions to consider. The 2008 SNA acknowledged that marketing assets significantly contribute to brand value and that corporations actively invest in them to differentiate their products and build strong emotional connections with customers. However, despite recognizing that these assets result from deliberate investment, the 2008 SNA ultimately did not classify them as produced fixed assets. The main reason was the difficulty in reliably measuring their value.

3. Therefore, the main question was whether the challenges in measuring these marketing assets had been resolved since the implementation of the 2008 SNA and BPM6. To address this, the joint Advisory Expert Group on National Accounts (AEG) and the IMF Committee on Balance of Payments Statistics (BOPCOM) Globalization Task Team conducted a two-stage testing strategy. The goal was to determine if marketing assets could be classified as produced assets.

4. Based on the results of this testing, the authors of the guidance note recommended including marketing assets within the production boundary and treating them as produced assets in the 2025 SNA and BPM7. This recommendation would significantly impact the sequence of economic accounts, as it would expand the production and produced assets boundaries.

5. The AEG and BOPCOM supported the Globalization Task Team's recommendation to classify marketing assets as produced assets, and this recommendation was included with the full package of recommendations for the update of the 2008 SNA which was put forward by the Intersecretariat Working Group on National Accounts (ISWGNA) to the UNSC for endorsement at the 2024 meeting. However, the recommendation to include marketing assets as produced

[1] As discussed in chapter 2, the value of marketing assets cannot be derived as the difference between the value paid for an enterprise as a going concern and the sum of its assets less the sum of its non-equity liabilities because other not separately identifiable intangible assets (such as organizational capital) and the synergies between assets are also included in the value paid for an enterprise.

assets in the sequence of economic accounts was not agreed to by the 2024 UNSC and requested further research on the measurement of marketing assets in the post-2025 SNA research agenda.[2] There appears to have been continued concerns that the value of marketing assets are difficult to measure and the delineation between what should be considered as intermediate consumption versus investment in marketing assets is not clear.

6. Thus, the 2025 SNA instead encourages, for countries where marketing assets are significant, the compilation of *extended accounts* in which marketing assets are recognized as produced non-financial assets, valued using the *sum of costs* method in the case of own-account production (2025 SNA A4.56). *Extended accounts* are closely linked to the integrated framework of national accounts but are not bound to employ exactly the same concepts, so the production and asset boundaries can be expanded.[3] Thus, e*xtended accounts* can explore new methodologies and work out new accounting procedures that, when fully developed and accepted, may become absorbed into the integrated framework of the SNA. For this purpose, the *Compilation Guide on Measuring Marketing Assets* has been developed.

Who is this guide for and what will it provide?

7. The primary objective of this guide is to support the development of extended accounts that treat marketing assets as produced assets within the national accounts framework. By doing so, it aims to improve understanding of how investments in market research, advertising, and promotional activities influence key economic indicators such as Gross Domestic Product (GDP). This work contributes to the post-2025 SNA research agenda by highlighting the economic significance of marketing activities and providing a foundation for their systematic inclusion in national statistics.

8. As this is a relatively new area of research for national accountants, the methodology presented in the guide is intended to be exploratory rather than definitive. The guide will examine potential data sources and estimation techniques without prescribing strict methodological guidelines at this stage. As research progresses and estimation approaches become more refined and widely accepted, more formal recommendations may follow. Eventually, once these methods are fully developed, the *extended account for marketing assets* could be incorporated into the integrated framework of national accounts in future updates.

Why is it important to measure investment in marketing assets?

9. Understanding investment in marketing assets is crucial as part of understanding broader economic activity since it highlights how organizations promote their products, understand customer behavior, and stimulate demand. Marketing assets—such as brand names, mastheads, trademarks, logos, and domain names—are not just expenses but strategic investments that can yield substantial returns over time. For the private sector, these assets enhance market visibility, customer loyalty, and pricing power, which in turn contribute to revenue generation and competitive advantage. As a result, sustained expenditure

[2] https://unstats.un.org/UNSDWebsite/statcom/session_55/documents/2024-36-FinalReport-E.pdf

[3] Previously, “satellite accounts” was the term used to describe thematic and extended accounts.

on advertising and market research not only boosts short-term sales but also strengthens a company's long-term competitive position and revenue potential, thus a portion of the expenditure should be considered as investment. In the government sector, investment in marketing assets may be related to delivery of specific government services or an attempt to change social behavior over the long term such as public health initiatives. Likewise, nonprofit institutions serving households (NPISH) may invest in marketing assets as part of their fundraising or to educate the public. In general, marketing assets are not valued in financial reports unless evidenced by a sale (one of the reasons for the 2025 SNA's recommendation to only record on the national accounts balance sheet if there is a sale). Therefore, this guide will take the approach of leveraging expenditures on advertising, market research and promotional activities to develop estimates of gross fixed capital formation (GFCF) which will contribute to building marketing assets in the *extended accounts*.

Overview of advertising and market research

10. Advertising and market research are closely related but distinct disciplines. Market research provides the foundational understanding of consumers and the market, while advertising focuses specifically on the creation of advertising campaigns and placement of advertisements. Essentially, market research informs advertising strategy by providing insights into target audiences, increasingly becoming more data driven, while advertising executes those strategies.

11. Advertising agencies specialize in developing and managing advertising campaigns for their clients. They can handle everything from creating the initial strategy and creative content to managing media buying and campaign execution. Advertising agencies can range from full-service agencies offering a wide range of services to specialized agencies focusing on specific areas of advertising such as social media or specific industries. The top six global advertising agencies and marketing firms in 2025 include WPP, Omnicom Group, Publicis Groupe, The Interpublic Group of Companies, Dentsu International, and Havas.[4]

12. In terms of placement of advertisements, the landscape has evolved significantly over the years, offering a variety of ways to connect with audiences. Advertising placement may be categorized in various ways and for the purposes of this overview these methods can be categorized into traditional and digital advertising placement. Traditional advertising placement encompasses print (e.g., newspapers, magazines), broadcast media (e.g., radio and TV) and outdoor methods (e.g., billboards, ads on buses or trains, and other forms of advertising seen in public spaces), direct mail (promotional materials sent directly to consumers' mailboxes). Digital advertising placement leverages the Internet through search engines, social media and other online platforms.

13. Throughout the 20th century, sales of advertising space in newspapers or airtime on radio or TV would have been the main avenues of advertising and marketing. As the world turned to the 21st century, the rise of the Internet and digital advertising have changed the industry. According to PWC, digital formats accounted for 72 percent of overall ad revenue in

[4] https://www.statista.com/topics/12476/%25E2%2580%259Cbig-six%25E2%2580%259D-ad-agency-groups-worldwide/#topicOverview

2024.[5] Thus, units across a wider range of industries now provide marketing and advertising services, for example the social media applications which are in large part funded through the sale of advertising space or the role in which influencers are used to advertise and build brand awareness. In terms of digital Ad revenue, the online advertising space is dominated by global tech companies such as Alphabet (Google), Meta (Facebook), Amazon, Microsoft, ByteDance (TikTok) and Alibaba.

14. The marketing and advertising landscape is likely to continue to evolve with the rise of the use of generative AI. Meta, Google and TikTok are advancing their own AI ad creation tools, which could potentially transform the role of advertising agencies or even replace them in some aspects of ad creation.[6] This may cause companies to bypass traditional advertising agencies, opting instead to directly engage with digital platforms. Despite this changing trend, firms, governments and other units will continue to incur advertising and marketing expenditures but purchases will shift from firms in the advertising industry to other industries.

15. Consideration of the right data source or mix of data sources to compile estimates of investment in marketing assets need to be undertaken with knowledge of the marketing and advertising landscape in the country. This guide aims to help national accounts compilers with how to do that.

What is advertising and promotion and how does it create marketing assets

16. If you do an internet search for “apple” the first image that pops up is not the variety that fell on Issac Newtons head, but rather the silhouette found on the back of the millions of iPads and iPhones. This is not an accident or quirk of the internet, but the result of continual expenditure in advertising and promotion that has created a valuable marketing asset (the apple logo) for the company Apple Inc.

17. Advertising and promotional activities are all around us, whether it is the extravagant ads that cost huge sums of money to make and air during the Superbowl to the simple links that appear following an internet search request, organizations are spending significant amounts of time and money to make their products recognizable and feel needed by consumers. But what exactly is this time and money being spent on, in order to measure the capital investment on advertising and promotional activities, it is important to first understand what these advertising and promotional activities might entail.

18. At its absolute basic level advertising and promotional activities is anything that brings attention to the product being produced by the organization. However, not all advertising and promotional activities are the same, different products and their respective target markets call for different approaches to bringing attention to the product. For some products attention can be created by highlighting the differentiating nature of the product (i.e. technological or price) compared to its competitors. For truly novel products, information about the product must be complimented by why this will bring utility to the consumer. Finally, for some larger well-known products it can be as simple as mentioning the name of the product or associating the product

[5] https://www.pwc.com/gx/en/issues/business-model-reinvention/outlook/insights-and-perspectives.html

[6] https://www.emarketer.com/learningcenter/guides/advertising-companies/

with a particular individual or event. By doing so, it not only keeps the product front of mind of consumers but can shape the way that the product is viewed by consumers.

19. Regardless of the exact nature of the Advertising and promotional activities, as pointed out by Martin (2019), two key points are occurring. Firstly, the average business expects spending on these activities to provide a return over a multi-year period, thereby making it an asset. Secondly, a growing body of evidence suggests that firms and organizations which make investments in these areas are more likely to perform well.

20. One of the ways that the firms and organizations perform better and benefit from these investments is when the expenditure on advertising and promotion not only transitions into more demand for its products but also into the creation of a marketing asset (as defined by the SNA) usually in the form of a well-known brand name or logo, which the organization can leverage into the future.

21. Successful advertising and promotion expenditure associated with the brand name/logo (coupled with a successful product) will result in a value being associated with them and thus the creation of a marketing asset.

22. While advertising and the creation of marketing assets is not new, the way it is implemented has changed considerably. Online advertising now makes up a much larger proportion of the expenditure on advertising and promotion. Despite this change the fundamental goal of "bringing attention to your product" remains the same. The change predominately reflects that for most products a greater level of attention can be obtained, for less expense and with the ability to track success, by using an online medium than other traditional methods.

23. Due to this, there is likely a greater variety of expenses that constitute advertising and promotional activities than previously. In the past, products were usually advertised on a single channel (i.e., newspaper, TV). Now, the brand is likely to be observed on many different channels

24. Regardless of the shift to digital media and the seemingly never-ending choice of distributing information, the process by which organizations advertise and promote a product remains fundamentally the same, which is to say, it remains no small feat. An example of some of the broad tasks involved include,

- Market research to understand the customers and the product's place in the market.
- Devising an overall strategy on how best to bring attention to your product.
- Deciding on the most appropriate target audience and therefore the best marketing channel to reach them
- Developing creative materials including visuals, videos, and landing pages.
- Implementing the advertising and promotional strategy.
- Measuring and analyzing the results in order to alter or re-engage as required.

25. Of the tasks listed, the creative materials and implementation strategy are likely to be not only the most expensive components but also those that provide the longest lasting benefit to the organization (think of well-known slogans, symbols, or campaigns). As such, when thinking of expenses related to advertising and promotional activities it's easy to limit expenses to just these points, and measure only the cost of Superbowl commercial or product placement. However, all

the tasks are contributing to the overall value of the marketing asset that advertising and promotional activity is creating.

26. Importantly these tasks are likely undertaken by a mix of people internal and external to the organization. Although many larger firms and organizations have specialized teams that focus on marketing. An entire advertising industry also exists in order to provide these services. Organizations can outsource some or all of the process to external experts. Chapter 3 will discuss the difference in obtaining information on both purchased and own account marketing assets but suffice to say that investment in marketing assets through expenditure on advertising and promotional activities should be treated consistently regardless of whether they are undertaken in house (that is on own-account) or externally.

27. Additionally, the examples listed are quite high level and are just some of the countless tasks that could be considered as contributing to the advertising and promotional activities of an organization. As such, expenditure on any of them could be considered as contributing to the investment in marketing assets; however, some could and should be treated differently in the SNA. As will be discussed later in Chapter 2, it is the specific aim of the advertising and promotional activities which will help dictate whether the cost of undertaking the activity should be considered a one-off expense entirely consumed during production or whether the value of the activity repeatedly contributes to production over a longer period.

How the guide is structured

28. Chapter 2 defines marketing assets from a statistical perspective and explains how they differ from related concepts such as brand equity and goodwill. It also addresses how to distinguish between advertising and promotional expenditures that have short-term versus long-term goals. This distinction is important for determining whether such spending should be recorded as intermediate consumption or as GFCF. The chapter further explains that all sectors of the economy can produce and invest in marketing assets and identifies where these activities and products are currently reflected in existing classification systems. Lastly, it explores areas of overlap between marketing assets and other types of produced non-financial assets within the SNA framework.

29. Chapter 3 discusses data sources and estimation procedures together, since both topics are closely connected. The chapter is structured into three main sections and relies heavily on established guidance presented in the OECD *Handbook on Deriving Capital Measures of Intellectual Property Products* (OECD 2009). The first section outlines the data sources and estimation methods used to calculate investment in purchased marketing, advertising, and promotional services. The second section focuses on how to estimate own-account investment using the *sum-of-costs* method. Given that the global advertising and marketing industry is dominated by a few large firms, cross-border transactions play a significant role in calculating investment in marketing assets. Therefore, the final section of Chapter 3 also addresses cross-border considerations and the available data in the balance of payments.

30. Chapter 4 discusses the price measures needed to derive accurate volume estimates of investment in marketing assets. These price measures are also crucial inputs for estimating capital stock using the perpetual inventory method (PIM). However, measuring the prices and volumes of marketing assets is particularly challenging due to their intangible and often

customized nature. The chapter discusses data sources that could be used if available and potential alternatives.

31. Chapter 5 discusses the key parameters in the PIM and the use of the PIM for deriving estimates of capital stock of marketing assets. It builds on established guidance presented in the OECD Handbooks *Handbook on Deriving Capital Measures of Intellectual Property Products* (OECD 2009) and *Measuring Capital* (OECD 2009).

32. The annex to the guide presents selected case studies that summarize experimental estimates developed by national statistical offices, highlighting their approaches to measuring investment in marketing assets.

Chapter 2 – Definition and Scope

Functional definition of marketing assets

33. For the purpose of this Guide, and for developing supplementary estimates consistent with the 2025 System of National Accounts (2025 SNA), marketing assets are defined as:

"The capitalized value of expenditures on advertising and promotional activities (whether purchased or produced on own account), to enhance the overall impression a customer or potential customer gains from their experience with the company and its products."

34. In an attempt to maintain consistency with the 2025 SNA as possible, the definition for this Guide will use similar language to that used in the international standard. However, it is important to note that marketing assets extend beyond "customers" or potential customers to include anyone for whom an organization is trying to communicate with[7]. Additionally, while the definition references 'company', as will be explained later in the chapter, marketing assets are created and used by all sectors of the economy beyond the corporate sector.

35. A fundamental component of the definition of marketing assets is the concept of advertising and promotional activities. A description of some of these activities from the international standard of industrial classification (ISIC) is provided later in the chapter, however chapter 1 includes a more in-depth look at what advertising and promotional activities are likely to entail.

36. The definition of marketing assets used in this Guide is an extension of one previously provided in the System of National Accounts, 2008 (*2008 SNA*) and used again in 2025 SNA. In these standards, marketing assets are included in the non-produced category of purchased '*goodwill and marketing assets*'. While the 2008 and 2025 SNA does not list an explicit definition for marketing assets, it lists several examples of potential marketing assets, including "brand names, mastheads, trademarks, logos and domain names" (2025 SNA §11.176), and provides guidance on the intangible nature of a 'brand', stating that it goes beyond a simple "corporate name or logo" but includes the 'overall impression a customer or potential customer gains from their experience with the company and its products' (2025 SNA §11.176). This last part of the phrase is used in the definition of marketing assets provided earlier and used in this Guide; however, the definition specifically mentions ***expenditure*** on advertising and promotional activities that enhance the brand. This is important since, as will be discussed later, there are other activities, beyond those that create marketing assets which may enhance a brand (a.k.a., the overall impression a customer or potential customers gains from their experience). Therefore, while there is some similar wording within the definition of a brand (referred to as brand equity in this Guide) and marketing assets, there is a conceptual difference between the two. This difference in concept is further elaborated below.

37. Similar definitions for both marketing assets and brand equity predate their inclusion in the 2008 SNA and have continued to evolve since that time. In fact, the concept of measuring

[7] For ease and to maintain consistency with the definition, the term customers will continue to be used throughout this chapter but should be considered a synonym for anyone with whom an organization is trying to communicate (i.e. potential customers, doners, etc.).

expenditure associated with increasing the awareness of a brand and its subsequent value was first raised over 20 years ago. In their seminal work on measuring intangible capital (Corrado, Hulten, & Sichel, 2005) listed some types of expenditures that they considered should be capitalized in the National Accounts in order to provide a more accurate picture of productivity changes. This included expenditure on brand development, represented by expenditure on advertising and market research. They considered these 'investments' to include "launching new products, developing customer lists, and maintaining brand equity" (Corrado, Hulten, & Sichel, 2005). This category was later refined to incorporate expenditure on brand names, as well as 'investments' to retain or gain market share (Corrado, Hulten, & Sichel, 2009). When the SNA was revised in 2008 and again in 2025, some of these types of expenditures were incorporated into various assets which were explicitly identified in the new standard. For instance, components of market research were incorporated into the capital formation associated with research and development (R&D) following the 2008 SNA. While '*customer lists*' is a prime example of the type of data asset that has been brought into the production and asset boundary of the 2025 SNA. These developments with the SNA meant that later work on measuring unidentified intangible assets by NSO's focused more specifically on a marketing perspective rather than a broader suite of intangible assets first presented in 2005.

38. In a 2009 paper from statistics Netherlands (Van Rooijen-Horsten, Van den Bergen, & Tanriseven), similar expenditure was labeled as investment in brand equity, which was defined as the *"part of the expenditure on marketing and advertisement that has as the primary goal to increase the value of a brand name or to increase output over a period of more than one year."* (Van Rooijen-Horsten, Van den Bergen, & Tanriseven, 2009) This work explicitly included two important caveats. The first, related to the expenditure having a 'primary goal.' By doing this, they acknowledge that some advertising and promotional expenditure is focused on short-term priorities or not specifically to do with output or the brand name (i.e., job advertisements). Both of these types of expenditures may indirectly help in increasing the value of the brand name, but it is not their 'primary goal' and therefore should not be included in the value of the marketing assets. The second point was the inclusion of the 'more than one year' caveat which explicitly excluded expenditure focused primarily on short-term effects. This delineation between expenditure on short-term and long-term goals is an important one and will be discussed later in the chapter.

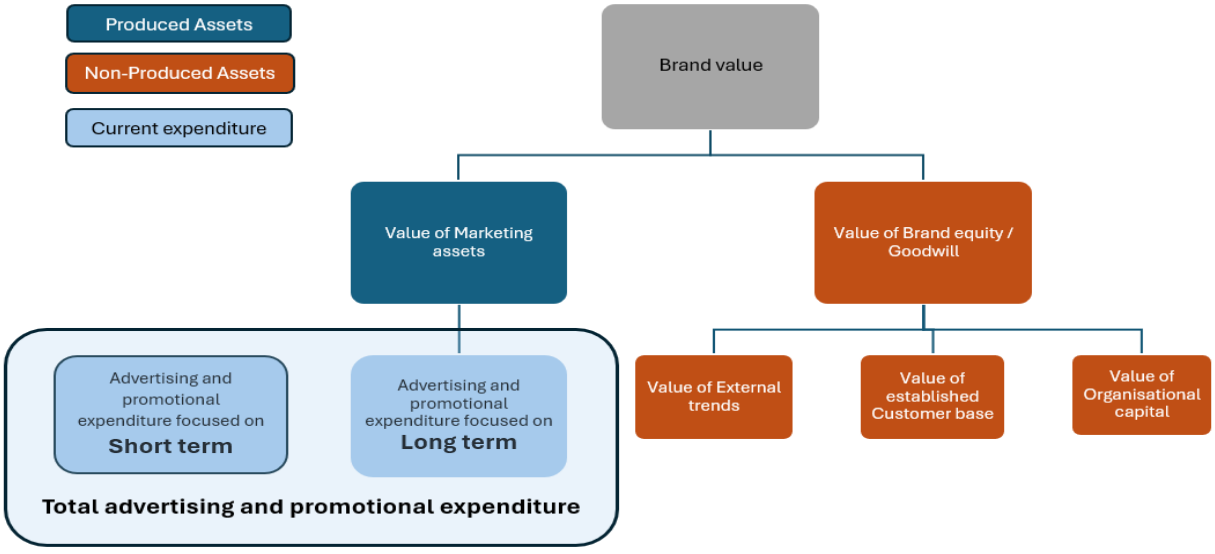
39. In (Heys & Fotopoulou, 2021) the UK Office for National Statistics (ONS) presented estimates of marketing assets in the UK, including presenting conceptual differences between values associated with marketing assets and brand equity. While the ONS used the term branding assets, it was considered interchangeable with marketing assets and was broadly similar to Marketing Assets as outlined in the 2008 and 2025 SNA. It included things like *'logos, slogans, and even color schemes […] typically created through payment for work done'* (Heys & Fotopoulou, 2021). In contrast to the specific terminology used by Statistics Netherlands, this paper considered brand equity more akin to goodwill describing brand equity as *'the value of the brand over and above the sum of its fixed assets and includes the value of reputation and the synergies between its assets.'* Importantly these last two items (reputation and synergies between its assets) can and do impact on the value of a brand (referred to here as brand equity) but are not *explicitly* or *exclusively* related to the organization's marketing assets and the level of expenditure on them.

Separating marketing assets from brand equity and goodwill

40. The separation between marketing assets and brand equity can be difficult to make and there are interdependencies. While marketing assets can have a narrow specific scope, with their value limited to the expenditure outlined in the above definition, the ultimate broad value that can be attached to a brand (if sold) can greatly exceed this expenditure. In these situations, recognizable marketing tools have been combined with established business processes and a track record of consistent service delivery to generate an organizational or brand value that goes beyond the value of the marketing asset. This divergence is just one reason why measuring marketing assets cannot be done by simply subtracting recognized tangible and intangible assets away from the value of the company or brand and assigning the residual amount as the value of marketing assets.

41. In the 2025 SNA, marketing *and* goodwill are considered non-produced. However, for the purpose of compiling estimates of marketing assets in an extended account it is desirable to separate the value associated with the production of marketing assets (considered a produced asset in an extended accounts) from the value associated with non-produced goodwill and brand equity. Although this non-produced value often stems from the marketing assets themselves or is generated through other means related to the organization it is desirable for it to continue to be recorded as goodwill and non-produced.

Figure 1. Value components within overall Brand Value within extended accounts which incorporate marketing assets.



42. Increases in an organization's goodwill can come from a variety of sources (see figure 1), from activities that are considered both produced and non-produced (to use the SNA

terminology)[8]. The 2025 SNA describes goodwill as *'the value of corporate structures and the value to the business of an assembled workforce and management, corporate culture, distribution networks and customer base. It may not have value in isolation from other assets, but it enhances the value of those other assets. Looked at another way, it is the addition to the value of individual assets because they are used in combination with each other.'* (2025 SNA §11.174)

43. The examples listed in this excerpt from the SNA include activity considered inside and outside the SNA production boundary. For example, due to the hard work of its employees and clever processes, a company or organization can become very good at delivering a reliable and consistent service. Consumers place a large value on this reliability and in fact the concept of consistency is a cornerstone of many franchise organizations. These expectations go a long way to developing loyal customers and raising the value associated with the brand. However, this increase in value is not dependent on any produced fixed asset used in production. Rather, this scenario is the quintessential example of non-produced goodwill, whereby the value of the whole is greater than the sum of its parts. Figure 2 presents an example of these different facets within a well-known fast-food chain, identifying the difference between produced and non-produced assets, including showing how brand equity fits within a broader definition of goodwill. Importantly, marketing assets can highlight these value adding components associated with the brand equity, but this does not make the component a produced marketing asset.

Figure 2. Examples of differences between marketing assets and brand equity – fast food company

Examples of traditional fixed assets. *Produced assets that contribute to producing output*	**Examples of marketing assets.** *Produced assets which aim to enhance the overall impression a customer or potential customer gains from their experience with the company and its products*	**Examples of corporate driven goodwill.** *Non produced assets that contribute to the value of the overall brand.*	**Examples of brand equity.** *Facets about the company which add value to the brand, generated by combining produced and non-produced assets*
• Kitchenware • Buildings	• Golden Arches • "I'm loving it" • Expenditure on Sponsorship aimed at reinforcing brand names and associations	• Production manual given to all new franchisees • Training programs applied worldwide for consistent service. • Existing presence at really good locations for fast food business	• 70 years of consistently offering a burger in very little time. • Well establish price point • Significant name recognition

[8] The split between produced and non-produced is presented as outlined for this Guide. The 2025 SNA considers marketing assets as non-produced. Additionally, there have been academic exercises where some of the other components of goodwill (such as organization capital) are considered as separate intangible assets.

44. Conversely, the value of an organization's goodwill may rise or fall regardless of the actions of the organization. Socio-economic or broader market trends (external trends in figure 1) can alter perceptions or impressions that the general public may have of an organization, thereby impacting the value of its goodwill. For example, concerns from greenhouse gas emissions have likely impacted the value of the goodwill (brand equity) associated with producers of fossil fuels.

45. Finally, new technology or business processes, such as a successful patent, may allow the company to produce their output more efficiently. This in turn will lead to increased profits and a higher valuation. Therefore, while the value of the organization has increased as a direct result of having access to this new produced asset (the new automated machine or successful patent), the value attached to these specific produced assets has not changed and is not equal to the revised non-produced value attached to the organization's goodwill.

46. An example such as this last one can also occur in relation to marketing assets (considered as a produced asset in the 2025 SNA *extended accounts* and the focus of this Guide). A successful marketing asset will create significant increases in trust, brand recognition or even positive opinions of the company. This in turn should lead to stronger demand for and loyalty to the product, allowing for an improvement in profitability and valuation of the organization, or more specifically, the value of the brand as a whole[9]. In this way, the produced but intangible marketing asset has a specific value which is different to the revised overall value assigned to the brand which would include both the value of the marketing assets and a component of "brand equity / goodwill".

47. The value of a brand or organization's equity can be associated with the expected future monetary returns from production, which may be due to a range of established phenomena such as corporate structure, business practices, distribution networks as well as customers' or potential customers' overall impressions of the company or its products. Conversely, the value of the marketing assets associated with the brand is limited to the capitalized value of *expenditures on advertising and promotional activities* (whether purchased or produced on own account) associated with changing customers views, or more technically, the expenditure on enhancing "the overall impression a customer or potential customer gains from their experience with the company and its products".

48. While not explicitly identified in corporate accounting in the same way as recognized tangible fixed assets (machinery, vehicles, and so forth), marketing assets contribute to the overall production of a business in the same way as these recognized assets. This Guide seeks to identify the specific expenditures that should be considered as investment and assigned to this marketing asset category for two reasons. The first is to record this expenditure as capital investment, contributing to GDP in the same way as investment in other 'traditional' assets. The second reason is to provide more clarity on the driver of higher valuations being assigned to organizations, rather than having all value above fixed assets being "dumped" into the

[9] The increase in value could be considered as adding to the equity of the company that owns the brand, however since companies could own several brands, the value of which could increase or decrease independently of each other, for the sake of this discussion, it is perhaps more accurate to consider them as separate entities.

unassigned category of goodwill.

GFCF vs intermediate consumption: Short-term vs long term expenditure

49. It is not feasible to list every example of a marketing asset. Technology advances create the development of new ones, from radio jingles to visual corporate logos, to online advertising campaigns using social media.

50. These new techniques, combined with the variances in the type of potential consumer to whom the advertising is being directed, create a wide variety of methods and avenues for the advertiser to use. As such, advertising and promotional expenditure comes in various forms, with a range of objectives. Thus, not all expenditure on advertising or promotion is expected to provide an economic benefit for more than a year. This demarcation of one year is important for the SNA as duration is the fundamental variable for separating expenditure by institutional units on goods and services used in production into one of two categories[10]. The first category covers "the value of the goods and services consumed as inputs by a process of production" (SNA 2025 7.240) and is referred to as intermediate consumption in the SNA. The 2025 SNA notes that these "goods or services may be either transformed or used up by the production process" (7.240). The second category covers GFCF, which is expenditure on the acquisition of goods and services which can be used *repeatedly* in production. The SNA terminology for these types of goods and services is fixed assets, defined in the SNA as 'goods and services that are used in production for more than one year.' (2025 SNA para.11.40). GFCF is the act of acquiring these fixed assets, either through a purchase or produced oneself (Own account).

51. Not all expenditure on advertising or promotion should be capitalized as part of the extended accounts put forward in this Guide, especially expenditures with only a short-term effect. The categorization of the expenditure as intermediate consumption or GFCF depends on whether the good or service purchased is still providing economic benefits to the owner after one year. If so, it should be recorded as GFCF. If it is less than a year, it should be considered as intermediate consumption.

52. This need for statistical offices to separate expenditure between advertising for long-term purposes and short-term purposes is considered an extra step for NSO's compared to how expenditure on other products is usually allocated in the SNA. While conceptually any expenditure by an institutional unit could be classified as consumption or GFCF, by convention, expenditure on certain products is usually entirely classified as consumption or entirely classified as capital formation. For example, expenditure by business on paper, electricity and petrol are entirely classified as intermediate consumption expense. Conversely, business expenditure on vehicles, machinery and electrical equipment is entirely classified as GFCF. Indeed, even when there are borderline cases, the SNA tends to provide additional guidance as it does with building repairs (2025 SNA para. 7.250) or vehicles (2025 SNA para.11.49) by noting that some durable goods (such as cars), may be classified as either consumption or GFCF depending upon the sector that purchases it (2025 SNA para. 10.41). Overall, the classification of a product as either consumption or GFCF is a reasonable assumption since the

[10] This excludes expenditure related to services provided by labor employed by the organization, which is classified as compensation of employees or expenditure related to the payment of tax.

characteristics of these respective products (i.e., is the product single or multi use, what is the ability to store the product, and so forth) lend themselves to being useful for productive purposes for either a short time or a long time. Advertising and promotional expenditure is not as straightforward as this, as institutional units can choose to focus their expenditure on meeting either a long- or short-term goal.

53. In almost all cases, advertising and promoting one's products is an important component to creating and keeping a favorable impression of the product.[11] In theory this expenditure will in turn impact on the overall demand for the product, thereby creating a long-lasting economic benefit for the company. Therefore, expenditure relating to this advertising and promotion can, and for the purpose of the extended accounts, should be capitalized. That said, it is well established that advertising and promotional expenditure can take two distinct forms: long-term and short-term.

54. Long-term marketing refers to marketing that focuses on building a positive reputation for your company's brand and its products with no expectation that customers upon hearing or seeing the advertisement will act immediately in response. In fact, often this type of expenditure will not even be for an explicit product or service, but rather to advertise and promote the brand or company as a whole. Sponsorship is an example of long-term marketing, whereby, would be customers do not receive any specific information about the products or services offered, but instead may view the company or brand in a more positive way due to the money paid by the company to the cause[12]. Product placement and promotional material (often provided to consumers for free) are two additional examples of long-term marketing expenditure. Overall, the purpose of long-term marketing is to encourage customers to buy more from the company in the future, either due to having greater awareness of the brand or a more positive opinion of the brand. As such, expenditure on long-term marketing could be considered as 'advertising and promotional activities [undertaken] to enhance the overall impression a customer or potential customer gains from their experience with the company and its products' and should therefore be considered an asset and its expenditure recorded as GFCF.

55. Conversely, short-term marketing attempts to elicit an immediate action by the customer due to the information contained within the marketing material. This marketing often includes an explicit offer or call to action and is always time dependent. Examples of short-term marketing include marketing expenditure for a specific sales period (Black Friday or post-Christmas sales), a specific opportunity (e.g. job advertisement or promotional offer) or a specific time sensitive product (a single entertainment or sporting event). Information included in this marketing material will no longer be of any use to the customer after the sale or offer has finished, the

[11] There are examples of well-known brands who have achieved a valuable brand despite having limited advertising (Costco, Supreme). Rather, they have become well known by leveraging other comparable advantages (significantly lower prices, counter-culture, exclusivity). While these companies undertake only small amounts of advertising, they are likely undertaking promotional expenditure in other less explicit ways, such as low-key paid collaborations with others or direct mail correspondence to existing clients. Additionally, most companies have incurred the initial costs of registering trademarks as well as any costs associated with ensuring their trademark remains free from infringement. Therefore, while a small number of organizations repudiate traditional advertising (even if done in new digital ways) they are unlikely to have no marketing or promotional costs.

[12] It should be acknowledged that sponsorship payment is not always paid monetarily but often paid in kind. The increase in advertising through social media influencers is often done based on allowing the influencer to use the product for free on the condition that they will then be an advocate of the product to their followers.

position is filled, or the event has occurred. As such, advertising and promotional expenditure on this type of marketing should be considered as an input into the cost of production and recorded as intermediate consumption. The goods and services purchased (or produced by own account) as part of short-term marketing are consumed entirely as part of the production process rather than producing an asset that will provide economic benefits to the company into the future (or at least, for more than one year).

56. Conceptually, the demarcation is straight forward; however, in practice, there will be a blurring between the two forms of marketing. For example, the constant production of sale catalogues from a particular brand highlighting the reduced price of products for a limited amount of time will, over a longer period, create and reinforce a perception that this brand's point of differentiation is their low price, possibly adding value to the brand and providing an economic benefit for a longer period. The opposite is also true as on occasions, advertising aimed at simply improving awareness of the brand is located in places where the product may also be available (i.e. a drink or gambling brand at a sporting event) which may spur people to action.

57. Being able to delineate between short-term and long-term marketing is a challenge for statistical offices as while obtaining estimates of the aggregate advertising and promotional expenditure is relatively straightforward, understanding how much there has been of each type of expenditure (i.e., short- versus long-term) may be difficult. It is unknown if businesses and institutional units will be able to provide accurate estimates of expenditure split between the two purposes, this is an area of research that countries should continue to investigate. Even, if possible, this will likely only be for larger firms with significant marketing budgets and will likely still be a "best estimate" due to the conceptual crossover discussed previously. While the practical implementation challenges are not trivial[13], this conceptual delineation provides an appropriate starting point for determining if expenditure should be treated as intermediate consumption or GFCF.

Examples of making this split between short- and long-term adjustment

58. The concept that not all advertising and promotional expenditure should be considered as providing an economic benefit lasting more than one year (and thus treated as a capital asset) has been acknowledged in studies attempting to estimate the value of produced marketing assets. However, perhaps indicative of the difficulty in obtaining information on such a split, each adjustment used so far to remove the expenditure considered short-term includes some reference back to the original adjustment estimated by Corrado, Hulten, & Sichel in (2005), which was further refined in (2009). This work suggested that based on "*empirical literature on advertising… only about 60 percent of total advertising expenditures were for ads that had long-lasting effects* (that is, effects that last more than one year compared with ads for, say, 'this week's sale')" (Corrado, Hulten, & Sichel, 2009).

59. This 60 percent adjustment was used again by (Marrano & Haskel, 2006) for the United Kingdom and then by (Van Rooijen-Horsten, Van den Bergen, & Tanriseven, 2009) for the

[13] The practical compilation challenges of this split also extend beyond the simple classification of expenditure as either consumption or GFCF. The choice of average asset life applied to capital formation during compilation of depreciation and capital stock estimates should include a consideration of the likelihood that the estimate includes a certain amount of short-term marketing material.

Dutch estimates. A tweak on this 60 percent assumption was undertaken by the ONS in 2023 when updating their estimates using the framework first pioneered by Corrado, Hulten & Sichel. For this release the ONS maintained the 60 percent assumption for purchased advertising services but lowered the rate for own-account advertising services to count as investment to 30 percent (Heys & Fotopoulou, 2021). While the ONS provided some logical reasoning behind the change, there was no specific empirical study supporting this change. Additional work by Martin (2019) assigned advertising channels as either brand building (with a long-term purpose) or sales activation (with a short-term purpose). This updated work, which used data from the World Advertising Research Centre suggested that the "previous assumption that 60 per cent of branding (advertising) expenditures are long-lived seems reasonable".

60. This section of the Guide has laid out the conceptual reasoning behind separating expenditure on advertising and promotional activities into either consumption or GFCF. A broader discussion on the data sources used for compiling estimates of marketing assets is presented in Chapter 3 of this Guide, which includes a portion covering potential data sources which can be used to delineate between the two. Overall, there is a need to develop further knowledge and empirical evidence on the two types of expenditure (short- and long-term marketing) to assist in improving the quality of the estimate of marketing assets.

All sectors of the economy participate in producing marketing assets

61. Although brand-building is normally associated with private corporations, it can also be undertaken by the NPISH and government sectors. Governments may invest in marketing assets in order to successfully deliver large-scale or long-lasting policy initiatives. As such, when considering the split between short-term intermediate consumption and marketing expenditure which should be capitalized, it is likely that the proportion for government skews much more toward long term GFCF. For example, public health campaigns such as those aiming to increase cancer screening, reduce obesity or assist people to quit smoking, benefit from employing a long-term brand that people can easily remember if they wish to seek assistance. Similarly, government-funded campaigns aimed at children will often invest in developing a logo or character that will better resonate with children[14].

62. Brand equity and thus the marketing tools that create value for a brand are particularly important for the NPISH sector as part of their fundraising. Unlike market producing non-profit institutions (NPIs) or government controlled NPIs that derive revenue through sales of products or through funds allocated by the general government, NPISH generate most of their income through grants, transfers, and charitable donations. Logos, mastheads, and other marketing assets play a fundamental role in both raising awareness of the organization, so that people have knowledge of their work, and in creating a level of trust in the organization so that benefactors are confident that any donations will be used efficiently and appropriately. Brand names such as Oxfam, World Vision and the Red Cross, or logos such as Amnesty International's candle wrapped in barbwire, or the Salvation Army's red shield, have not become universally known by chance. Rather, expenditure on marketing and advertising where the logos are used, accompanied by the work of the organizations, has produced these well-known

[14] In the United States of America, Smokey Bear has been educating children about wildfires since 1944, while Bertie Beaver has been undertaking a similar role in Canada since the 1950's. Both are trademark protected.

entities.

63. Like many other intellectual property products (IPPs) in the modern economy, marketing assets may be developed and used by an entity in one country while the economic ownership of the asset resides in another country. The intangible nature of marketing assets allows them to be easily moved within a multinational enterprise in order for them to realize the largest possible financial gain for their owner (usually by reducing their overall tax burden). The movement of these types of assets can and does significantly impact important aggregates within the SNA.

64. As such, the 2025 SNA has a dedicated chapter on improving both the measurement of these assets and the consistency with which the measurement is applied. There now exists a decision tree for determining economic ownership of an IPP observed in global production that compilers can refer to in order to better understand which stocks and flows should be recorded domestically and which are considered part of the rest of the world. As another type of IPP the advice in this chapter extends to marketing assets. Countries should look to leverage of the work undertaken by large case units which have been established in many statistical offices. Overall, compilers should treat marketing assets owned by multinational enterprises, the same way it is recommended to treat other IPP considered as inputs into production despite not being always active in the country where production is occurring.

The production of marketing assets in existing classifications

65. Expanding the produced assets boundary through the recognition of marketing assets will result in a change for both purchased advertising activities as well as own account advertising services. For purchased advertising and promotional activities it is simply a change in how already recorded transactions are treated (i.e., moving from intermediate consumption of advertising and promotional activities to GFCF). For own account production there is additional output that needs to be explicitly recorded.

66. Advertising is represented in both the established international industry classification - International Standard Industrial Classification of All Economic Activities (ISIC Rev. 5) by producers as well as the established international product classification - Central Product Classification, Version 3.0 (CPC Ver. 3.0) by products[15,16]. Many countries may already be collecting the building blocks that can be used to derive estimates. The task therefore becomes one of delineating specific expenditure related to advertising and promotion providing a long-term economic benefit.

67. On an industry basis, advertising is represented in Division 73: Activities of advertising,

[15] The ISIC and the CPC are the international standard for classifying industrial activity and products, respectively. Many statistical offices use regional versions, such as Nomenclature of Economic Activities (NACE) and Classification of Product by Activity (CPA) in Europe, or CPA, NAIPS or the North American Industry Classification System (NAICS) and North American Product Classification System (NAPCS) in North America, however the regional versions are based on the international standard.

[16] A draft structure of updated versions of the ISIC and the CPC were presented to the United National Statistical Commission in 2024 and 2025 respectively, these updated classifications have been referenced in this handbook. The groups and classes represented in this chapter are all represented in the both the new and previous classifications (ISIC Rev.4 and CPC Ver 2.1); however, it will still be a period of time before the new international classifications flow through to the regional classifications and published estimates at the country level.

market research and public relations. Within the ISIC classification this division includes:

"The creation of advertising campaigns and placement of such advertising in periodicals, newspapers, radio, and television, on the Internet, or other media as well as the design of display structures and sites. These advertising activities are often provided via advertising agencies and media representatives. The division includes activities of provision of information about markets for goods and services and provision of information about public relations and public opinion polling activities, which may be based on the collection and analysis of original data, or on the research and analysis of existing data." (UNSD, 2024)

68. This division is broken down into three groups; 731 Advertising activities, 732 Market research and public opinion polling activities, and 733 Public relations activities. While all three groups are likely to contribute to the production of marketing assets, the majority is likely to come from Advertising activities. Some examples of the tasks undertaken by units within group 731: Advertising activities include:

- the creation and realization of advertising campaigns,
- conducting marketing campaigns and other advertising services aimed at attracting and retaining customers,
- promotion of products, as well as marketing consulting.

69. All of these appear to be consistent with the activities involved in developing and producing marketing assets to be used for a period of more than one year. At the same time, the industry also includes activities such as point-of-sale marketing and direct mail advertising, which would appear more focused on short-term goals of information dissemination. Therefore, while the output of the industry would be a useful starting point for compiling estimates of purchased marketing assets, it would not be the case that the output of this division or industry group will be equal to total investment in marketing assets observed in the economy. As discussed earlier in the chapter, a proportion of the output would remain as intermediate consumption of the business purchasing the services, representing advertising services that provide no economic benefit of greater than one year. That said, a large amount of the output of this industry would be to develop the marketing assets that have been defined previously in this chapter and should be a clear data source for compiling estimates of purchased marketing assets.

70. However, it should be noted that sales of advertising time or space directly by owners of the time or space (publishers, broadcasters, digital platforms) is not reflected in ISIC Division 73, as the owners of the time or space are likely classified according to the actual activity they undertake (newspaper, digital publishing). This exclusion likely impacts producers which undertake advertising and promotion activities on an own account basis and incur the cost of advertising space and time directly from the publisher. In these instances, a portion of the value added associated with this advertising will be reflected in the division of the publisher rather than division 73.

71. Since the international product classification (CPC) provides more granular classifications than the industry-based classification there may be a clearer demarcation between long-term and short-term advertising services in CPC data.

72. At the broader 3-digit level, Advertising services are represented in group 836 - *Advertising services and provision of advertising space or time*. This group is broken down into

three classes; Advertising services (8361), Purchase or sale of advertising space or time, on commission (8362), and Sale of advertising space or time (except on commission) (8363). All three classes would likely include both long and short-term advertising output but also other output likely not directly contributing to marketing assets.

73. For example, within 8361 - advertising services, there exists three additional sub class categories, these include Full-service advertising, Direct marketing and direct mail services, and Other advertising services. The output of full services advertising includes tasks such as *"planning, concept development and execution of the full range of services for an advertising campaign"* which certainly appears consistent with long term marketing investment.

74. However, within *Direct marketing and direct mail services 83612* and *Other advertising services 83619* the CPC list tasks such as 'sending promotional messages directly to consumers through methods such as direct mail' and 'delivery services of free samples and other advertising material'. For both of these tasks, the question of their inclusion becomes about the content of the promotional and advertising material. If the content contains material that focuses on building a positive reputation for your company's brand and its products rather than a call for action, then this output of this product would likely be contributing to long-term marketing and thus should be capitalized. For example, the direct mail campaign may not be advertising at all but rather a members newsletter or catalogue. Many organizations undertake this more laid back promotion strategy, where the onus is to build trust and relationship with clients rather than simply informing them of products and prices.

75. A split between short- and long-term marketing based on content would certainly be the situation for the two other classes within the product group 836. The *Purchase or sale of advertising space or time, on commission (8362),* and *Sale of advertising space or time (except on commission) (8363)* are two products which would need to be included in estimates of marketing assets as long as the advertising space related to long-term, brand focus advertising, and not short-term advertising. While the categories are broken up further into print, TV/radio and internet no specific medium is solely the domain of long-term advertising or vice versa, and so assumptions would need to be made on split of long-term vs short-term for each medium.

76. An additional product that would likely be used for long term marketing is CPC 837 – market research and public opinion polling. This group includes the undertaking of 'market analysis, analysis of competition and the behavior of consumers', all of which are important for an organization to better market their products.

77. To be clear, the output of this group may well be used for other purposes beyond attempting to "enhance the impression that a customer or potential customer may have". Depending on the exact nature of the research, some of this expenditure would be more closely aligned with the asset classification of R&D rather than marketing.

78. This line between the two most likely revolves around how new the research is and whether the outcome can be realistically forecast. For an activity to meet the definition of R&D, it must jointly satisfy the following five criteria: novel, creative, uncertain, systematic, transferable and/or reproducible (OECD, 2015). Because of this standard, market research undertaken to confirm things such as whether the consumers are enjoying a newly released product, or to find out how much money they are spending on a certain service is unlikely to satisfy all of these criteria. While the expenditure may fail the R&D asset test, since the output

is likely the first step in an organization's attempt to enhance the overall impression of the company and its product, it likely would and should be considered as an investment in marketing assets. In fact, in previous research, Martin (2019) suggested that up to 80 percent of market research could be viewed as long-lived and creating multi-year benefits.

79. In addition to the output of group 836 and 837 contributing to long-term marketing investment, there are some additional lower level sub-class products which could also be considered as contributing to a marketing asset. These include CPC sub-classes: 83812 - Advertising and related photography services; 83919 - graphic design services for advertising; and 96121 - production of films for advertising.

80. Overall, there is likely expenditure that should be considered as an investment in a range of product classifications, both at the group, class and sub class level. Attempting to delineate short-term and long-term marketing based on such a fine level of product detail should only be attempted if the product level output is provided at this classification level. It is possible (or likely) that NSO's may only be able to produce output at the group level, meaning a split between intermediate consumption and GFCF will have to be made at the level of *Advertising services and provision of advertising space or time*, resulting in some assumptions being needed.

81. The additional advantage of data presented on a product rather than industry dimension is that the production of full services advertising, market research, purchase or sale of advertising space or time or any other of the product mentioned is captured regardless of the industry producing it. While a vast majority of this product would be produced by ISIC Division 73, any advertising services made by another industry would be picked up by this product level classification. Therefore, if output data was available at this product level, it could prove an even more useful starting point for compiling estimates of purchased marketing assets.

Overlaps with other produced nonfinancial assets

82. When attempting to explicitly identify and measure marketing assets there are clear interlinkages between marketing assets and the other IPPs already considered an asset in the SNA. Fundamentally, double counting can be avoided by ensuring that any expenditure by an organization is only assigned to the production of a single asset (e.g., the same unit of labor is not considered to produce software, data and marketing assets). Separately measuring each in such a way that reduces the possibility of double counting will be discussed in Chapter 3. However, this next section will cover the conceptual boundaries between each.

83. For the purpose of compiling estimates of marketing assets, the potential overlaps will be between marketing assets and R&D as well as between marketing assets and the category of data and databases.

84. The link between marketing assets with computer software and artistic original is conceptually possible but considered less of a challenge. Investment in software includes expenditure on both '*the initial development and subsequent extensions of computer programs, program descriptions and supporting materials for both systems and applications software"* (2025 SNA para. 11.112). While some computer programs are developed to improve the production and dissemination of marketing and advertising material, they are first and foremost a computer program and should be classified as software within the national accounts. An

exception may be expenditure on software exclusively used for marketing and advertising with no other reasonable uses, in these cases, the expenditure may be considered as contributing towards a marketing asset.

85. Similarly, it has been well established that a key requirement for artistic originals is that the work should have 'primarily artistic intent' (OECD, 2010). While some artistic originals such as films, podcasts or television programs will contain elements of marketing in the form of product placement, their main purpose is as a creative vehicle rather than as a means to convey a corporate or organizational message. Expenditure to the artistic producer to buy access for the product placement would likely fit the concept of long-term marketing expenditure and may be capitalized, but the entire cost of creating the creative output should not be considered as marketing asset.

86. In the 2025 SNA, data is defined as '*Information content that is produced by accessing and observing phenomena; recording and storing information elements from these phenomena in a digital format, which provide an economic benefit when used in productive activities'*. Obtaining information is a key component to developing a marketing strategy and so it is likely that a large amount of data will be used in the production of marketing assets. However, data, for the purposes of the SNA, includes a conceptual end point, in so much so that the production of data stops once the data is fit for use in productive activity. As such the 'analysis of the data in order to obtain insights or use of the information contained in the data in productive activities is considered the production of output of a good or service other than data' (IMF-Eurostat, forthcoming). Consequently, there is a clear line of demarcation between the production of data and the production of marketing assets using this data.

87. Such a line is useful for maintaining consistency even when data is used to produce other IPP assets. For example, general data collection has been explicitly excluded from the production boundary of R&D (OECD, 2015) and from the production boundary of Artificial Intelligence software (ISWGNA, 2023), even though both products are heavily reliant on data for their production. This same standard applies to marketing assets. Expenditure related to the accessing, recording, and organizing of information elements should be considered as the production of data first, with such an asset then being used as an input into the production of marketing assets.

88. The production boundary of R&D is set out within the Frascati Manual (OECD, 2015). On several occasions it states that market research is not in its own right an R&D activity as it does not satisfy the criteria required to be classified as R&D. The specific criteria that market research fails relate to the requirement for R&D activities to produce novel ideas and to be based on original concepts and hypothesis. Much research related to marketing activities concerns quantifying known trends or confirming assumed hypothesis, which is not considered R&D within the Frascati Manual, and therefore the SNA framework.

89. Due to this, expenditure related to research and subsequent data collection for the exclusive purpose of developing or improving marketing and promotional materials should be capitalized solely as marketing assets assuming that it provides economic benefit for greater than one year. However, expenditure on generating data for other purposes which are subsequently also used in producing marketing and promotional activities should remain as production of a data asset, which can then be considered as an input into the production of marketing assets.

90. This section has presented the conceptual difference between marketing assets and the various IPPs already existing in the SNA. While delineation is relatively easy to present on a conceptual basis, reducing the prevalence of double counting will depend on the exact compilation methods undertaken to produce estimates of each one.

91. For own account production of IPP, most statistical offices undertake compilation based on the sum of costs approach, beginning with allocating a specific amount of labor resources to the production of each output. In these instances, compilers must ensure that the labor resources used to produce the IPPs (hours worked for specific occupations), are not counted as an input to several different IPP or recounted if transactional data on the purchase of marketing assets obtained from business surveys are also used[17]. More information on this is discussed in Chapter 3 covering estimation methods.

[17] Since the sum of cost methodology, usually begins with a list of occupations considered as contributing to the production of the IPP. Although it is likely that a single occupation may spend time producing different own account IPPs (a conceptually accurate occurrence). Care must be taken to ensure that while a single occupation can contribute their time to multiple assets, that the share of their time does not exceed 100 percent.

Chapter 3 – Data Sources and Estimation

92. Marketing assets can be split into two categories: purchased assets and assets produced on own-account for own-use. In practice methods used to estimate the two classes are different. Section 3.1 discusses the data sources and estimation methods that compilers can use to calculate estimates of GFCF in purchased assets. Section 3.2 discusses estimation methods than may be used to derive estimates of GFCF produced on own-account. Section 3.3. discusses how compilers may collect data on cross-border transactions in marketing and advertising.

3.1. Data Sources and Estimation Methods for Purchased GFCF In Marketing Assets

93. Estimates of purchased GFCF in marketing assets can be derived using two approaches. The first is by surveying units (businesses, governments, NPISH) and asking them to report their expenditures. The second is to derive estimates using the commodity flow approach based on a supply and use framework. The supply and use framework can be used to estimate GFCF as the residual of the supply (domestic production plus imports) of advertising and marketing services less exports, intermediate consumption, final consumption, and inventories. In theory, all methods should give the same estimates, but due to methodological and measurement inconsistencies there will be discrepancies in the estimates. Compilers should consider using both direct and indirect methods to allow for the best final estimate.

Direct estimation

Expenditures on the acquisition of advertising and marketing services

94. Data on expenditure on purchases of advertising and marketing services may be used to compile estimates of GFCF in marketing assets. As noted in Chapter 2, expenditure on marketing and advertising may be for short-term purposes or for long-term purposes (although distinction is likely to be somewhat blurry). Expenditure for short-term purposes should be recorded as intermediate consumption. Expenditure on long-term advertising and marketing should be classified as GFCF. Depending on the granularity of the source data available the split could be made based on intended impact, assumptions about the longevity of forms of marketing and advertising (reflected by the type of marketing and advertising), or a capitalization rate. However, it may be difficult to derive this split in practice as such granular data may not be available from the purchaser of the advertising and marketing activity. If the relevant granular data are not available, then appropriate capitalization rates may need to be applied (see below).

Production of advertising and marketing services that are supplied to other resident units

95. An alternative direct measure is obtaining data on the production of marketing and advertising services that are supplied to other resident units. These estimates may be based on information from advertising and marketing companies as well as hosting platforms such as

media and internet companies. The advantages of this method are that it depends on fewer data sources and the information may be available according to the type of product. However, one key disadvantage is that the producers may be non-residents and therefore out of scope of the data collection program. Furthermore, the compiler would need to make assumptions about which industry/sector uses the advertising and marketing services. This issue is of course avoided if the estimates are based on the expenditures on acquisition of advertising and marketing services.

Indirect estimation—A supply and use framework

96. The output of an industry can be attributed to intermediate consumption, final consumption expenditure, exports, inventories, or GFCF. A further component on the supply-side is imports. Given the globalized economy it is necessary to account for imports of advertising and marketing services. The supply shows the total value of goods and services produced in an economy in addition to imported goods and services.

97. The breakdown of goods and services is based on the Central Product Classification, Version 3.0 (CPC Ver. 3.0) or a regional variant. As outlined in chapter 2, at a 3-digit level the CPC offers a further breakdown of advertising services and provision of advertising space or time, which may allow for more detailed data on which to base GFCF estimates. The benefit of using data at the product level is that it will include the supply of advertising services regardless of which industry produces them. Advertising services are represented in group 8361 - *Advertising services*. This category would include both long- and short-term advertising output. Where the granularity of the available data allows for it, a further split can be made at the 4-digit level, subclass 83611 - *Full-service advertising* includes products likely to be consistent with GFCF in marketing assets principally, *"planning, concept development, and execution of the full range of services for an advertising campaign".* A capitalization factor would still need to be applied.

98. At an industry level the economy is sub-divided based on the ISIC Rev. 5. *Industry 73 Activities of advertising, market research and public relations* is most closely aligned with the production of marketing and advertising, though this output will also include output that does not meet the requirement to be classified as GFCF as it would not provide an economic benefit for greater than one year. Therefore, a capitalization factor would need to be applied to allow a split to be made between GFCF and intermediate consumption.

99. Advertising agencies typically purchase airtime and space on behalf of their clients, a process known as media buying. While it is possible for a client to do the media buying themselves, hiring an advertising agency offers advantages because of their expertise in handling the complex, time-consuming process of researching, negotiating, and executing ad placements across platforms as well as potential cost savings. However, as already noted, firms are increasingly going direct to media and internet companies to purchase advertising space and airtime; therefore, an approach solely based on estimates from industry 73 may underestimate the advertising expenditure in an economy.

Cross-referencing direct and indirect approaches

100. The direct measure provides estimates by sector or industry. Its principal disadvantage

is that it can lead to underestimates because of issues of framing, misalignment of definitions, and unrecorded expenditures. The main advantage of the indirect measurement is that the major components of supply and use for capital products (output, imports, and exports) are already internationally well measured. The principal disadvantages are that the estimates of supply are valued at basic prices, not purchasers' prices.

101. Given the strengths and limitations of each approach, it is important that compilers cross reference the derived estimates. Large discrepancies between the two can be the result of methodological issues but could point to inaccuracies in the underlying data.

Capitalization Factor

102. A capitalization factor reflects the share of output of advertising and marketing activity that is to be recorded as GFCF rather than intermediate consumption. It therefore reflects the proportion of output that is long-term and the higher the capitalization factor the higher the GFCF estimates.

103. The classification of marketing and advertising as either short- or long-term enables compilers to generate estimates when expenditure or output data are available at the level of the specific advertising or marketing service purchased or produced. Where precise classification data are unavailable, compilers may rely on the characteristics of both the media and the type of advertising employed. In a study for the Netherlands, Bergen, Haan, Horsten, Klinkers, and Tanriseven (2008) estimated varying capitalization rates depending on media type. For instance, expenditures on free local newspapers and advertising pamphlets were categorized as short-term, as these channels primarily highlight temporary promotions and sales; consequently, they received a capitalization factor of zero. Japan also adopted this approach to estimate capitalization rates (see Box 1). Media intended to promote sales or announce specials are inherently short-term, warranting low capitalization rates (potentially zero), whereas television commercials designed to showcase consumer product attributes are more likely to deliver long-term benefits. The choice of advertising and marketing medium serves as a reliable indicator for distinguishing between short- and long-term strategies and can inform the estimation of capitalization rates. Long-term strategies often focus on fostering emotional connections with customers and may encompass initiatives that span several months or years, such as influencer marketing and content marketing.

104. In developing an advertising strategy, companies may make a business decision on how much of the advertising should be geared towards customer retention and brand-building goals compared to short-term goals (Binet and Field, 2013). In this regard, it may be possible to get relevant information from surveys of businesses as to what proportion of their advertising expenditures they consider to be long-term.

105. Government units are less likely to undertake short-term promotional activity related to immediate sales but rather will have a focus on longer term promotional activities aimed at achieving a positive social impact such as promoting safe driving, reducing smoking, healthy eating, and so forth. In a study to examine the dramatic decline in global fertility rates since the mid-20th century, de Silva and Tenreyro (2017) concluded that mass media campaigns were useful in changing social norms and promoting smaller families in many developing countries. However, there may be cases where a government unit may undertake some short-term

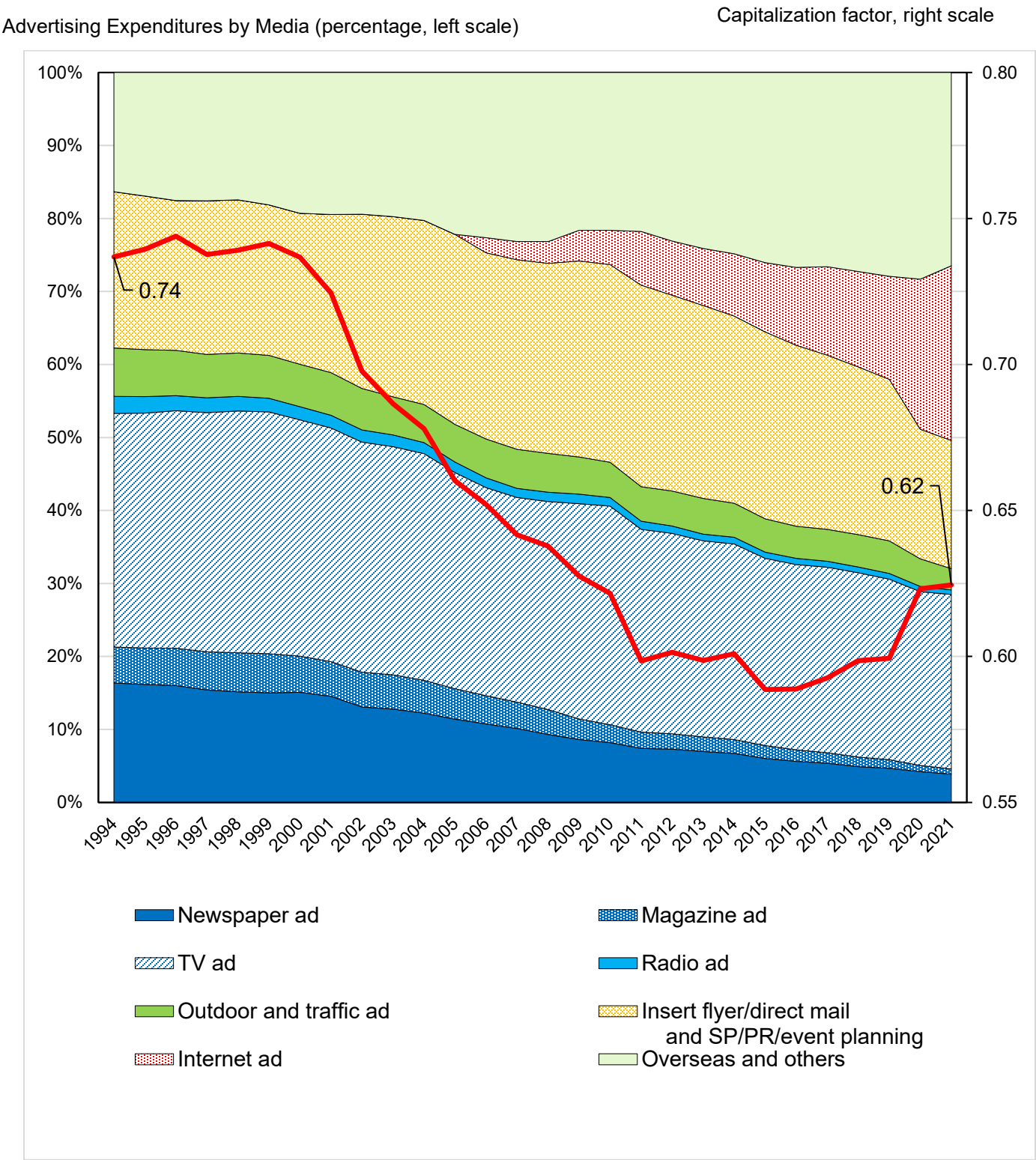
advertising such as emergency disaster announcements, census day announcements, or sharing other official information on ongoing government activities.

106. An issue to consider is how the capitalization factor may differ among industries, sectors, and across countries. It is highly plausible that some industries or sectors may have a greater share of long-term marketing spend than others, and thus a larger capitalization rate. The consumer goods industry is one where brand recognition and loyalty of consumers is crucial, expenditure on marketing and promotional activity may therefore be expected to have a longer-term impact. On the other hand, the mining industry where companies may be contracted by government, may be less likely to be engaged in brand building. Much of the advertisements may be related to announcements relating to recruitment, sub-contracting, and health and safety announcements. Therefore, although different industries and sectors will have differing shares of advertising expenditures for short- and long-term goals compilers may assume a constant capitalization factor across all industries and sectors, in absence of reliable granular data.

107. The capitalization factor may also change over time as the nature of advertising and marketing evolves. Estimates for Japan during 1994 to 2021 indicate a lower capitalization factor in the 2000s compared to the 1990s (see Chart 3.xx). In 2021, the capitalization factor for advertising and marketing was calculated at 0.62, closely aligning with the estimate suggested by Corrado, Hulten, and Sichel (2009). The rate remained around 0.7 throughout the 1990s but declined during the 2000s. The findings for Japan suggest that this trend may reflect the growing share of internet advertising (with a relatively lower capitalization rate) in total advertising and promotion expenditures, along with a decrease in spending on magazines, radio, and television. These findings correspond with insights that compilers in Japan obtained from interviews with marketing professionals at Japanese companies, who noted an upward trend in short-term marketing activities in line with the expansion of internet advertising.

108. Production of advertising and marketing services will also take place outside of ISIC industry 73. Where estimates cannot be derived based on the product breakdowns, other efforts should be made to include purchases of advertising and marketing services from these types of producers in estimates of GFCF of marketing assets. One example is sponsorship deals, where an airline sponsors a sports team or purchases the naming rights to a stadium. Such deals clearly create long-term marketing assets though they would not be included in supply-side estimates based solely on the output of industry 73. Estimates of this type of marketing asset or similar could be made on an ad hoc basis. Countries with large case units will be particularly well placed to include ad hoc marketing spend in their estimates of GFCF.

Figure 3. Japan: The Capitalization Factor Over Time



Source: Department of National Accounts Economic and Social Research Institute, Cabinet Office, Government of Japan

Potential data sources

Surveys of businesses

109. Business surveys are likely to provide the most comprehensive information to estimate marketing assets. These surveys may be used to cover both the purchasers of the service and the producers of the service; therefore, the questions may vary depending on the side of the transaction. Nevertheless, each survey should include questions on the breakdown of expenditure/turnover into differing types of marketing and advertising. The greater the granularity of the survey data collected, the better the estimates.

110. Investment in marketing assets is more likely to be undertaken by large and medium-sized firms. Therefore, the surveys may exclude small firms without compromising the coverage or consistency of the estimates.

111. Outright purchases of previously produced marketing assets should be capitalized and recorded as the acquisition/disposal of an asset. A complication can be that transactions often involve the entire unit rather than solely the marketing asset, making it difficult to separate out the values.

112. Some business surveys may have a high degree of coverage in terms of units surveyed and granularity of data collected. These surveys are usually conducted annually, though certain surveys may be conducted quarterly typically with a smaller sampling frame focused on the largest reporting units. NSOs would be able to design the business survey to capture detailed information on how firms allocate their expenditure to various advertising and marketing activities.

113. Timeliness of business surveys is always an issue; the nature of this approach means that real-time data is an impossibility. There can often be a multi-year time lag when using structural business surveys. NSOs should consider whether this time lag is acceptable for certain rapidly evolving industries in their economy.

114. Compilers should consider the reliability and consistency of business survey data to form macro-estimates by compilers. UK research (Awano 2010) concluded that demand-side micro measures based on business survey data will likely give underestimates of expenditure on intangibles including marketing assets. Martin (2022) further researched the inconsistency of micro and macro approaches, highlighting inconsistencies in estimates derived from demand-side micro survey approaches and supply-side macro approaches. These inconsistencies are attributed to issues with survey responses including framing of questions, forgotten expenditure, and misalignment of definitions.

115. Where a business survey is used, the following information should be collected:

a. outright purchases of existing marketing assets (brand names, mastheads, trademarks, logos, and domain names),
b. payments for the creation of new marketing assets, such as the creation of a new marketing campaign

116. It is recommended that the questions offer a breakdown of expenditure by the type of advertising expenditure. The following categories are proposed:

- Advertising online

- Content marketing
- influencers, blogs, papers, special articles, short videos
- Retail media
- Other online advertising
- Advertising in newspapers and magazines
- Advertising on radio
- Advertising on television
- Direct mail/flyers
- Other media

Administrative data (e.g., corporate accounts)

117. Where NSOs have the capacity, analysis of corporate accounts could be conducted to compile source data for estimates of direct purchases of advertising and marketing assets. NSOs may be able to access corporate accounts of resident institutional units, via tax records, securities commissions, or other regulatory bodies. Corporate accounts should offer insights for estimates of both purchased and in-house produced marketing and advertising assets. However, the level of disclosure in corporate accounts will vary between companies and countries depending on reporting requirements. For example, the distinction between short-term sales promotions, and long-term brand-building may not be explicit. This would limit the possibility of calculating a split between intermediate consumption and GFCF split at the individual company level.

118. Deriving consistency with 2025 SNA reporting requirements will depend on the corporate accounting legislation in each country. Typically, larger reporting units are mandated to report in greater levels of detail allowing for more consistent estimates to be compiled. The International Financial Reporting Standards (IFRS) accounting standards require that expenditure on advertising should be recorded as a cost and expensed when it is incurred. The Generally Accepted Accounting Principles (GAAP) does allow for certain direct response advertising costs to be capitalized if future economic benefits exist.[18] Though the requirement for documentation that directly links a specific sale to the direct response advertisement is a high barrier for capitalization. Advertising capitalized as direct response would likely therefore be seen as short-term and not eligible for recording as GFCF in the extended accounts.

119. Corporate accounts are not published until after the reporting period has ended and this can limit their use as source data for short-term statistics. In some cases, there may be a delay of several years before the final, complete accounts become available. For industries with rapidly evolving marketing strategies, relying on outdated estimates from previous years may provide little value. Though the accounts themselves may be available to NSOs at no financial cost, analysis of corporate accounts is likely to be a labor-intensive process, adding to the cost of using them as a source. Such an approach may only be possible for better resourced NSOs.

Direct information from media and internet companies

120. Media and internet companies could offer comprehensive data to compile estimates of

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[18] https://viewpoint.pwc.com/dt/us/en/pwc/accounting_guides/ifrs_and_us_gaap_sim/ifrs_and_us_gaap_sim_US/chapter_6_assetsnonf_US/610_advertising_costs_US.html

the production of advertising output and allow a breakdown of estimates into GFCF and intermediate consumption. Obtaining data from these firms would therefore offer a high level of coverage on which to build estimates that would include the cost of airing, which is an integral component of the value of the product. The timeliness of such a data source is an obvious advantage, information is likely to be real-time, or as close as it is possible to achieve, and offer the benefit of granularity in terms of type of advertising.

121. Confidentiality and the willingness to provide such data could be an issue. Firms may be reluctant to or refuse to provide the information on the grounds breaching confidentiality with their clients or due to competition considerations within the industry. Given the global nature of such firms NSO's may have no power to compel reporting under statistical legislation as the provider of such services may despite appearances be a non-resident firm. The accessibility and cost of obtaining this data is likely to be an issue, future reliability of the data source is also questionable if it is obtained on a voluntary basis or purchased.

Direct information from advertising and marketing companies

122. Advertising and marketing companies could provide detailed data on costs related to the production of creative services, campaign execution, and media buying. As the traditional intermediary between firms looking to advertise and the suppliers of advertising space and air-time advertising and marketing agencies will have data on which both supply and demand-side estimates could be based. This data source would likely allow for sufficient granularity to be able to calculate estimates segmented by type of advertising which could form the basis for a split between short- and long-term assets. Where reporting systems allow for real-time data to be collected then this data source could offer the possibility of calculating up-to-date estimates without having to wait for the publication of periodic reports.

123. Industry associations and organizations are potential data sources. Some of these organizations have an international remit whilst others will operate nationally. NSOs should research what data is available in their country from these bodies.

124. This data source would not capture transactions directly between a firm and a provider of advertising space or airtime. Supplementary data would likely be required to get full industry coverage. Where there is a willingness to provide data, it may come at a financial cost. The strength of statistical legislation behind NSOs may make it easy to obtain the data.

Box 1. Deriving the Capitalization Factor in Japan

The capitalization factor of advertising and promotion in Japan has been computed by adopting the methodology established by Horsten, Bergen, Haan, Klinkers, and Tanriseven (2008). This approach involves determining capitalization rates for individual media types according to their characteristics (see table below), and subsequently calculating the weighted average based on media-specific advertising and promotion sales data from the Ministry of Economy, Trade, and Industry's Survey of Selected Service Industries. The result is an annual series of capitalization rates for advertising and promotion for the period 1994–2021.

For newspaper advertisements, long-term expenditure excludes announcements and notifications (such as obituaries and job advertisements), with the capitalization factor set at 0.96. The share of announcements and notifications is derived from private data covering advertising space across roughly 120 newspapers. For magazine, radio, and television advertising, the capitalization factor is set at 1.0, consistent with the other national estimates (see for example, Martin 2019).

Other advertising categories are further segmented into four groups, each assigned a specific capitalization factor. Group 1 (Outdoor and traffic advertisements), primarily intended for long-term branding as identified through interviews with private Japanese firms, are assigned a capitalization factor of 1.0. Conversely, group 2 (insert flyers, direct mail and SP/PR/event planning), which are designed to meet short-term objectives, have a capitalization factor of zero. Within group 3 (Internet advertising), paid search and performance-based advertising, which accounts for 40–50 percent of total online ad spending, is assigned a capitalization factor of zero, while video and display advertising are set at 1.0. The overall capitalization factor for internet advertising is calculated as a weighted average of these segments, with sales data sourced from industry surveys of major Japanese advertising agencies. For group 4 (Overseas and other advertising) the capitalization rate is calculated as the weighted average of the capitalization rates of the other items (Newspaper, Magazine, Radio, Television ad and the three types of advertising mentioned above).

	Capitalization Factor	Note
Newspapers	**0.96**	by *MRS Advertising Research Inc.*
Magazines	**1.0**	Based on Martin（2019）
Radio	**1.0**	Based on Martin（2019）
TV ad	**1.0**	Based on Martin（2019）
Direct messaging, outdoor and other ad	**0.35～0.47**	The weighted average of the following items
①Outdoor and traffic ad	**1.0**	Based on the interview to some Japanese private companies

	②Insert flyer/direct mail and SP/PR/event planning	**0.0**	Presumed to be mainly for short-term purposes
	③Internet ad	**0.52-0.59**	Calculated by using the weight of video, display, and others from one of Japan's leading advertising agencies *DENTSU's* report
	④Overseas and others	**0.59-0.74**	The weighted average of capitalization rates of the other items (Newspaper, Magazine, Radio, TV ad, ①-③) are applied

Source: Department of National Accounts Economic and Social Research Institute, Cabinet Office, Government of Japan

3.2. Own-account Advertising and Marketing Production

125. The previous section illustrated the methods and data sources that compilers can use to derive estimates of purchased GFCF in marketing assets. This section will focus on investment in own-account marketing assets. Own-account production refers to the production of goods and services that are produced by an institutional unit for its own use rather than for sale in the market. This includes own-account GFCF, which can occur in various industries and sectors.

126. Own-account advertising and marketing have become more complex to estimate, primarily due to, but not limited to, the increased presence of low cost (or free at the point of use) online and digital tools. These tools have led to the flourishing of advertising and marketing services beyond traditional means. Technological advancement in digital and online marketing has reduced the barriers to entry in the profession, with the dominance of social media platforms that encourage, if not necessitate, the use of online marketing to create brand recognition, as discussed in Chapter 1.

127. This has made bypassing traditional advertising and marketing agencies easier, with potentially an increasing share of own-account advertising and marketing expenditure for the corporations, government, and NPISH sectors. It is also likely that part of this increased expenditure may be captured as own-account production of marketing products by the household sector. For this reason, a continuous assessment of the redistribution of marketing production may be needed to obtain more accurate estimates, with periodic surveys on the usage of marketing means, if this is not already available by relevant marketing industry bodies or records.

128. This section starts with a simple formulation of the estimation of the value of investment in own-account marketing assets and continues with a presentation of different data sources that can be considered. The section explores own-account production of advertising and marketing services in corporations, government, and NPISH sectors, and includes a country case and a case study at the margins of marketing and advertising, namely influencer

production, which is not included in standard measurement.

Own-account marketing value estimation

129. Most countries producing estimates for own-account advertising and marketing investment build on a variation of the established sum-of-costs approach for estimating own-account software and other intellectual property products, and less frequently other goods produced for own-final use[19], as follows:

$$Advertising\ and\ Marketing\ production_{own-account} = (EW\alpha) + intermediate\ costs + OS + Tax_{net}$$

130. In this simple formulation, the value of producing own-account advertising and marketing production is given as the sum of four cost variables.

- The first element, the labor component, $EW\alpha$, is the product of the wage bill for employment on own-account advertising and marketing production (average compensation in the relevant advertising and marketing occupations, *W*, multiplied by total employment, *E*) and a factor α which indicates the time spent by relevant employees specifically on own-account advertising and marketing production, as a proportion of their total time. The latter component, α, is more challenging to determine, as it may vary from industry to industry, and with the rapid change of advertising and marketing professions from creativity-driven to data-driven. As discussed in chapter 2, the 2025 SNA recognizes data as a produced asset and care needs to be taken to avoid double counting.[20] Evidence from industry[21] literature indicates that purely creative work was around 18 percent of a marketing professional's time, with most of their time spent on administrative and analytical tasks that are auxiliary to their function. As a result, 18 percent should be the minimum considered, as advertising and marketing production requires a series of other tasks beyond purely creative activity, from audience targeting and strategy design to marketing research.
- The second element, intermediate costs, relates to other costs used in own-account production, such as consumption of goods and services.
- OS refers to the notional operating surplus related to own-account production (capital services) (depreciation plus a mark-up for the return to capital).
- Finally, Tax_{net} refers to other taxes on production, less subsidies.

131. Earlier estimates (e.g. by the ONS, 2021, and UK case study in box XXX) assume that the proportion of time spent by those that work in marketing is rather wide and can vary by occupation, mentioning a range of 15 percent to 40 percent on average of the total employee time for own-account advertising and marketing, (Martin, 2019). The estimated time spent on

[19] Para 4A.6 and A4.7 of the 2025 SNA.

[20] Chapter 2, paragraph 54 states "Expenditure related to the accessing, recording, and organizing of information elements should be considered as the production of data first, with such an asset then being used as an input into the production of marketing assets."

[21] PHD: Marketers spend more time reporting than creating | Marketing | Campaign Asia. It should be noted that there is limited evidence in bibliography and publicly available industry literature on the proportion of time spend on own-account production of intangible assets.

own-account production of advertising and marketing is in line with the OECD Handbook on Deriving Capital Measures of Intellectual Property Products[22] recommendation 37 of no more than 50 percent time-factor for own-account production if a country does not have reliable data on the share of time spent.

132. This formulation of the sum-of-costs approach may be used for the estimation of the value of own- account advertising and marketing production by the market sector.

133. For the calculation for the government sector own account advertising and marketing, compensation should be replaced by average government sector compensation within that occupation category, W_{govt} instead of *W,* and *E* should refer to employees in relevant occupations within the government sector. Units classified in the government sector may not have dedicated occupations and the tasks of producing marketing assets may fall on other employees. As a result, this may yield an underestimate.

134. In the case of NPISH, compensation should be replaced by sector compensation W_{NPISH} instead of *W,* and *E* should refer to employees in relevant functions within the NPISH, which may include those involved in relevant fundraising activities.

135. Care should be taken to identify whether the Tax_{net} component is redundant, as the usage of certain inputs by the government sector and NPISH may be tax exempt.

Own-account advertising and marketing investment estimation

136. Since the time spent discussed above relates to the total own-account production of advertising and marketing (not only the long-term investment activities) then a capitalization factor also needs to be applied. Martin (2019) notes that capitalization factors are even more uncertain for in-house activities, but states that case studies suggest in-house staff are usually more involved in the less long-lived types of advertising such as direct mail, promotions, and company websites. For market research, Martin indicates there is no evidence that purchased and in-house were different. Therefore, Martin treats only 30 percent of own-account advertising production as investment and 80 percent of market research as investment. However, NSOs may have difficulty making a distinction between advertising and marketing (industry 731) and market research (industry 732), with the latter thought as providing long-term benefits, thus assuming that most of it may be considered investment. Therefore, if required, it is recommended that for own-account advertising and marketing the same capitalization factors should be employed as for purchased advertising and marketing (see section 3.1).

137. There are significant data constraints to permit the estimation of a separate capitalization factor for own-account marketing, and it must be noted that, ideally, the capitalization factor will have to differ across industries, *based on output (ratio of net industry output over net total output)*, as marketing expenditure would be dependent on it in the first place. For instance, marketing for CPC code 9722 – cosmetic treatment, manicuring and pedicuring services should have a lower capitalization factor than marketing for CPC code 4911 – motor vehicles.

138. If these differentiations not be an option in the estimation of own-account marketing

[22] OECD (2010): Handbook on Deriving Capital Measures of Intellectual Property Products

value, then a capitalization factor of 0.6 as a general case, and 0.3 for the proportion of advertising services industry (ISIC 73) that produces own-account advertising and marketing (5 percent according to Martin (2019), excluding the remainder)[23] should apply, to ensure that there comparability, and avoid double-counting.

Potential data sources

Employment data

139. Data for employment can be obtained by labor force surveys, enterprise surveys, and Classification of the Functions of Government (COFOG) cross-classification tables, for the relevant professions (see Table XX), based on International Standard Classification of Occupations, 2008 (ISCO 2008), for the following variables:

- Compensation of relevant employees
- Overtime in hours (per week/month) – if available
- Number of people employed or hours of employment (per week/month)

140. The unit of accounting should be carefully considered (number of employees vs. hours of employment), as it may require adjustment to number of hours. Where available, hours of employment should be preferred for more accuracy to capture more accurately part-time employment, which tends to be more prevalent in creative professions. Compensation of relevant workers should include overtime payment, if available.

141. Table XX presents the occupation groups based on International Standard Classification of Occupations 2008, which is the basis for most occupation classification systems used. These occupation groups are predominantly involved in the production of advertising and marketing, with definitions and examples of job titles.

Figure 4. Table XX. Occupations that may be included (ISCO 2008)

Code	Title	Definition	Notes
243	Sales, Marketing and Public Relations Professionals	Sales, marketing and public relations professionals plan, develop, coordinate and implement programs of information dissemination to promote organizations, goods and services; and represent companies in selling a range of technical, industrial, medical, pharmaceutical and ICT goods and services.	Occupations in this minor group are classified into the following unit groups: 2431 Advertising and Marketing Professionals 2432 Public Relations Professionals 2433 Technical and Medical Sales Professionals (excluding ICT) 2434 Information and Communications Technology Sales Professionals

23 Corrado, Carol A. and Hao, Xiaohui, Brands as Productive Assets: Concepts, Measurement, and Global Trends (November 2013). World Intellectual Property Organization (WIPO) Economic Research Working Paper Series No. 13, Available at SSRN: https://ssrn.com/abstract=4436940 or http://dx.doi.org/10.2139/ssrn.4436940

2431	Advertising and Marketing Professionals	Advertising and marketing professionals develop and coordinate advertising strategies and campaigns, determine the market for new goods and services, and identify and develop market opportunities for new and existing goods and services.	Examples of job titles: - Advertising specialist - Marketing specialist - Market research analyst *- Advertising executive* *- Marketing executive* *- Content marketing specialist*
2432	Public Relations Professionals	Public relations professionals plan, develop, implement and evaluate information and communication strategies that create an understanding and a favorable view of businesses and other organizations, their goods and services, and their role in the community.	Examples of job titles: - Publicity agent - Public relations copy writer - Public relations officer *- Brand Ambassador* *- Social media manager* *- Social media coordinator* *- Digital media manager*
2434	Information and Communications Technology Sales Professionals	Information and communications technology (ICT) sales professionals sell at the wholesale level, a range of computer hardware, software and other information and communications technology goods and services including installations and provide specialized information as required.	Examples of job titles: -Sales representative (communications technology) - Sales representative (computers) Some related occupations classified elsewhere: Shop sales assistant - 5223
2513	Web and Multimedia Developers	Web and multimedia development professionals combine design and technical knowledge to research, analyze, evaluate, design, program and modify websites and applications that draw together text, graphics, animations, imaging, audio and video displays and other interactive media.	Examples of job titles related to marketing: *- Search Engine Optimization (SEO) specialist*
2166	Graphic and Multimedia Designers	Graphic and multimedia designers design visual and audio-visual content for the communication of information using print, film, electronic, digital and other forms of visual and audio media. They create graphics, special effects, animation or other visual images for use in computer games, movies, music videos, print media and advertisements.	Examples of the occupations classified here: - Animator - Commercial artists - Computer games designer - Digital artist - Graphic designer - Illustrator - Multimedia designer - Publication designer - Web designer

Time factor

142. There is a significant degree of variation of engagement with marketing and advertising tasks across these ISOC categories, and how much labor time is dedicated to own-account production. Further, the overlaps with the production of other IPPs need to be considered carefully in order to avoid double-counting across production. Category 2513 “Web and Multimedia Developers” would relate to marketing research, as well as data and software development and R&D, but not equally, while category 2166 “Graphic and Multimedia Designers” would relate to marketing and advertising (with the creation of logos for instance), in addition to the production of artistic originals, design, and software[24]. It is recommended that time used in the production of own-account advertising and marketing in these two specific categories should not exceed 20 percent (Martin, 2019).

143. Progressively, data analytics become more important in driving sales and market targeting, as opposed to traditional marketing intelligence. Further, evidence from O*NET shows

24 For a detailed discussion on overlaps between intellectual property products, please consult the OECD Frascati Manual 2015 (EN).

that these occupations include several unrelated administrative tasks (such as writing reports, and sales accounting). This implies that over time, individuals in these occupations may spend a different proportion of their time on marketing activities, especially with the advent of AI tools and machine learning. It thus left to the discretion of compilers to decide the value of factor α according to the degree of digitalization of their jurisdiction's marketing industry, should data allow. Alternatively, the value of factor α could be equal to this of industrial category 73.

Nonlabor costs

144. Business and enterprise surveys and administrative data (e.g. corporate accounts and taxation records) may provide the relevant data for the business cost components, namely intermediate costs, notional operating surplus, and other tax paid. These are likely to be obtainable at company level, but not always at industry level, hence some tacit knowledge about how much of the total figures are attributed to marketing activities and goods will be required. As in the case of the labor factor, should data not permit an accurate calculation of these individual components, the non-labor mark-up factor of industrial category 73 could be used. If this is not an option, a recommendation is to apply to the same factor as in the case of software for intermediate costs and a notional gross operating surplus.

Coherence and consistency checks

145. Dedicated expenditure surveys may provide more information on the type of marketing media used and detailed industry breakdowns or, otherwise, occasional surveys and data collected by relevant marketing bodies[25]. These can be complemented by direct information from advertising and marketing companies, as well as social media platforms. For example, there is some empirical evidence from industry literature[26] mentioning that in the USA retail businesses spend between 9.6 percent (goods producers) and 11.8 percent (service producers), while on average small businesses spend approximately 1.08 percent of revenue on advertising, with variations by industry[27] in total. As this includes both purchased and own-account marketing expenditure, it could be treated as a ceiling. Due to the cost of conducting tailored surveys, it is likely that obtaining data may be challenging and their nature not consistent for use in the production of national statistics, therefore, compilers are encouraged to use their own judgement based on the prevalent conditions in the economy.

Considerations for government sector

146. To enhance consistency, it might be worth aligning the estimation of own-account advertising and marketing in the government with the functional classification (COFOG) used for classifying public expenditure in government finance statistics. Cross-classification tables can provide information on the use of any goods and services and depreciation (apart from compensation) in the process of production of own-account marketing, although identifying the

25 Indicatively: African Marketing Confederation, American Marketing Association, Arab Marketing Association, Asia Marketing Federation, Canadian Marketing Association, China Advertising Association, Data and Marketing Association, European Marketing Confederation, Indian Society of Advertisers, etc.

26 Typical Marketing Budget for Small Business | Advertising Spend by Small Businesses

27 How to Get the Most From Your Marketing Budget | U.S. Small Business Administration

proportion of these will require additional information[28]. In the absence of function-specific information, it can be approximated using the equivalent from the market sector by industry.

147. Other components may be challenging to identify in government finance statistics, but compilers have alternatives. First, it is likely that depreciation will be difficult to allocate by function, especially if only aggregated figures for total government capital stock and depreciation are compiled. In these circumstances, approximations will have to be used (GFSM 2014 paragraphs 6.146-6.147). Second, as the expenditure for the production and dissemination of general information (the most relevant of government activities to marketing) may be shared, expenditure should also be shared across the corresponding classes (GFSM 2014 paragraph 6.143). Finally, in own-account production by government units, any expenditure should be assigned a COFOG code according to the function the activity serves (by extension of GFSM 2014 paragraph 6.140).

148. Based on the limited empirical evidence that exists, the labor factor α can vary from 15 percent to 40 percent for advanced economies. Factors may be obtained from industry literature – which may significantly differ from country by country due to the dominance of different means of advertising and marketing products, and marketing penetration. Compilers in countries with more online-intensive and data- or AI- driven marketing industry may use a lower α, while compilers in countries with more traditional marketing and advertising markets may have a higher α.

149. The split between long-term and short term will require the use of a capitalization factor for the distinction between GFCF and intermediate consumption, which can be the same as purchased marketing.

[28] In the 2025 SNA the term depreciation is used instead of consumption of fixed capital as used in the 2008 SNA and GFSM 2014. This is only a name change and there is no conceptual difference.

Box 2. Influencers: Own-Account Marketing for the Digital Era

Non-professional own-account marketing producers, often referred to as "influencers", may be considered as own-accounting marketing producers in the household sector, if this is their primary activity. The rapid growth of influencer value (their ability to induce sale of products or use of specific services) is because people trust other consumers more than commercial messages by companies, consumer-to-consumer communication about products, brands, and services, and as such it is regarded as particularly "influential" (Nielsen, 2015). There is a note-worthy, fine conceptual balance between a personal brand, which should be treated as human capital, and "influencing" which is akin to a primary activity using the personal brand for marketing. The personal brand is not considered a marketing asset.

Influencers' recognition is usually measured in numbers of "followers", "subscribers" or views of their digital material online. This requires the production of marketing goods (such as short videos), over at least 3 months and usually 12 months, with a minimum of 1000 subscribers, before influencers can sell their digital material to the online platforms that publish it. As a result, short-term expenditures (less than 12 months) could be recorded as intermediate consumption, whereas once the threshold for payment has been met own-account marketing can be considered GFCF. There are broadly three types of payments made by online platforms: i) Payment by views, ii) Payment by contractual agreement (sponsorship), iii) Payment-in-kind (benefit).

For households, a corresponding formulation will have to replace EWα with any of the following, conditional on data availability:

$$Marketing\ production_{own-account\ influencer} = \left(I\beta w_{marketing}\right) + intermediate\ costs + OS + Tax_{net}$$

- *I* is the number of influencers (I), multiplied by β, which is equal to 3 hours * 365 days (i.e. 1095 hours on average, for an annualized estimate), and w_marketing is the average hourly compensation of ISCO 2008 category 2431- Advertising and Marketing Professionals, or equivalent. If this is not available, the average compensation in the economy may be used.
- *OS* refers to the notional operating surplus related to own-account production (capital services). In this case it may be challenging to identify, and it may reflect the value of products received as barter, in exchange for marketing. As this is unlikely to be reported in any survey of administrative data source by the influencer, it can be considered 0. In the rare case where a gift value has been declared by the entity being advertised for such barter transactions, the value could be approximately calculated from sponsorship expenditure.

- Tax_{net} and *Intermediate costs* will be the same as in the case of the market sector.

Finding the number of influencers can be quite challenging due to the dynamic nature of social media platforms that tend to host their marketing products. It may be imputed using industry surveys and research by platform. Due to the dominance of YouTube and the availability of data on its operations, it can be used for the distribution of influencers by industry, even though YouTube's content labelling does not match ISIC categories. Compilers may attempt to match the YouTube labels to standard activity classification. It is also pertinent to focus on influencers with more than 1000 followers (the minimum threshold for the generation of payment for marketing products on a platform). Obtaining country-level data may also be an additional challenge.

Note: Academic research has found that for spending nothing on the YouTube advertising, the expected sale (ES) is 4.84708∗1000 = $4847. The slope of the model provided in equation is 0.04802 indicating 48 (1000∗0.04802) units increment in the sales. So, spending money on the YouTube medium, the ES is 4.84708 + 0.04802∗1000 = 52.86708, representing a sale of $52867 (Zhou, Y., Ahmad, Z., Alsuhabi, H., Yusuf, M., Alkhairy, I., & Sharawy, A. M. (2021).

3.3. Measuring Cross-Border Flows

150. There are three types of cross-border flows that are relevant for estimating the stock of marketing assets and capital formation in the economy. These are:

- imports and exports of advertising and promotional services
- outright acquisition / disposal of marketing assets
- leasing of marketing assets

151. The accuracy and reliability of estimates of international transactions related to marketing assets rely on the granularity of data collected in external sector statistics. National compilers generally compile international trade in services within the Balance of Payments (BOP) framework. In its sixth (BPM6) and seventh (BPM7) editions, this framework provides a comprehensive overview of economic transactions between residents and non-residents.

Imports and exports of advertising and promotional services

152. While marketing assets consist of items such as brand names, mastheads, trademarks, logos and domain names, a variety of services such as advertising, public relations, marketing, market research, (that is “advertising and promotional services”) and services such as graphic design are used by businesses to create, maintain and enhance their brand presence (see also Chapter 3.1 paragraph [11]).

153. Advertising and promotional services can be produced on the own account of the business as outlined in the previous section, they can be supplied by a domestic supplier, or they can be imported. The supply approach to estimating the stock of marketing assets, discussed in Chapter 3.1, measures the supply of advertising and promotional services, used in the creation of marketing assets in the economy. Imports of advertising and promotional services are included in this calculation and exports deducted.

154. To effectively capture the imports and exports of advertising and promotional services, it is essential to have sufficient detail in the trade in services categories of the balance of payments. Compilers of trade in services statistics recognize that although international transactions in advertising and promotional services can be collected directly, they often need to rely on estimates from more aggregated data such as *Professional and management consulting services,* or *Other business services*. For a comprehensive discussion on the presentation of advertising and promotional services within BPM6, BPM7, and EBOPS, please refer to the Appendix.

155. While advertising, market research, and public opinion polling are services that can be used in the creation of marketing assets, not all expenditures related to these services are used to create marketing assets. Consequently, further information or assumptions are needed, beyond the recording imports and exports of advertising and promotional services to estimate what part of these services relate to building marketing assets. It would be acceptable to use the same assumptions that are used on the domestic supply and own account production of the marketing assets. In the absence of other information, the same capitalization ratio discussed in section 3.1 could be used.

156. In conclusion, in order to measure imports and exports of advertising and promotional services that are used in the creation of marketing assets, it would be ideal to collect granular information on trade in these particular services. As many trade in services compilation systems collect more aggregated data, it may be necessary for compilers to find means to estimate the advertising and marketing portion of the aggregated data (perhaps based on the share of domestic output of these products within more aggregated groups of products). Once a measure of imports of advertising and promotional services is found, a capitalization factor needs to be applied to estimate their contribution to the production of marketing assets in the economy. Exports of advertising and promotional services should be deducted from domestic output of these services in any estimation of the domestic contribution to the production of marketing assets.

Cross-border flows of marketing assets

157. In the macroeconomic statistical standards, marketing assets are included in purchased goodwill when not separately identified. Goodwill cannot be sold to another party but is likely to be present in most corporations. Goodwill is only recorded when evidenced by a market transaction, where it would be valued as the difference between the value paid for an enterprise as a going concern and the sum of its assets (including separately identified marketing assets) less the sum of its liabilities, each item of which has been separately identified and valued.[29]

158. The 2025 SNA states that purchased goodwill and marketing assets are recorded only when a unit is purchased in its entirety or an identifiable marketing asset is sold to another unit. Therefore, in contrast to *purchased goodwill and marketing assets* as a single item, marketing assets can be sold independently, separate from the entire corporation. (see also paragraph [3.1.36 this is the highlight paragraph beginning, “Marketing rights, trademarks, and trade dress … are listed as examples of intangible assets in IAS 38])”.

159. The balance of payments services account also discusses the treatment of franchise fees, trademark revenue, payments for use of brand names, and so forth. This is a type of leasing of intellectual property.

160. These two aspects of cross-border flows relating to marketing assets (outright acquisitions/disposals and leasing) are discussed in the following paragraphs. In either case these transactions need to be considered in the compilation of extended accounts in which marketing assets are recognized as produced non-financial assets. This is because outright acquisition (disposals) of marketing assets represents increases (decreases) to the stock of assets of the importing economy and in certain cases, discussed below, payments for the use of marketing assets can also be considered as investment.

Outright acquisition/disposal of marketing assets

161. Cross-border outright sales of (previously created) marketing assets may happen in several contexts. The 2025 SNA states, “exceptionally, a marketing asset may be subject to sale”. A company may sell its brand to capitalize on a strong brand reputation or because it is

[29] See BPM/SNA Glossary definitions of Goodwill, and Purchased goodwill and marketing assets

struggling with profitability.[30] Multinational enterprises (MNEs) may choose to locate their marketing assets in a new jurisdiction for tax or other reasons. Cross-border transactions also occur in the context of corporate inversions and other company relocations.

162. In the cases of these transactions, the stock of marketing assets decreases in the economy of the exporter and increases in the economy of the importer.

163. Under *BPM6* and *BPM7,* cross-border transactions in marketing assets are recorded in the capital account under Gross acquisitions/disposals of nonproduced, nonfinancial assets. The economy disposing of the asset records a credit/revenue, while the economy acquiring the asset records a debit/expense, in the capital account of the external accounts. Marketing assets are shown as a headline component in BPM7.

164. There is no difference between the treatment for transactions between related parties such as within MNE groups, where marketing assets in one economy are sold to an affiliate in another economy. However, transactions within MNE groups are typically very large because MNEs may strategically position their marketing assets in specific jurisdictions.

165. The movement of marketing assets between economies can occur through various corporate migration processes. In such instances, there may be difficulty in observing an obvious transaction between a resident and a non-resident if for instance a company changes residence (for instance through a corporate inversion), along with its financial, intangible assets and even tangible assets.

166. In the cases of relocations of companies, the stock of marketing assets would increase in the economy where the company is being redomiciled. But how is the movement of assets under corporate migrations treated in the external accounts? According to the macroeconomic statistical standards, when a company is said to relocate to another jurisdiction, such as through a corporate inversion, it usually involves transactions to move assets from a corporation in one economy to a related corporation in a different economy. In this case the marketing asset would again be shown as a transaction in the capital account as discussed above.

167. In some rare cases, a unit changes its residence (i.e., without moving assets to ownership by another unit). These cases could arise from exchanges of territory between governments, or where corporation law allows unit migration. The movement of financial assets and liabilities and non-financial assets would be treated in the same way as for the change in residence of an individual, recorded in the other changes in assets and liabilities account. In this case there would be no recording in the BOP of the movement of the marketing assets. These would be recorded in other changes in volume account of the SNA if separately recorded from goodwill. In cases such as these, the BOP and national accounts compilers should work together so that these assets can be appropriately accounted for on the domestic national balance sheet.

168. It is worth noting that the international investment position (IIP) does not provide any information on marketing assets. This is because marketing assets are nonfinancial assets, and also because marketing assets have no claim on nonresident parties. The IIP *shows at a*

[30] A discussed in Chapter 2 the “brand” of a company may include elements of goodwill and so is not necessarily equal to the marketing assets)

particular point in time of the value of financial assets of residents of an economy that are claims on non-residents or are gold bullion held as reserve assets and of the liabilities of residents of an economy to non-residents.

Leasing of marketing assets

169. As well as the outright sale or purchase of marketing assets, the macroeconomic statistical standards discuss, rights to use marketing assets. This is considered a type of leasing and covers the case where a marketing asset is supplied with the right to use the intellectual property embodied in it, but not to copy it for further distribution.

170. The balance of payments manual recommends, as a convention, to record fees payable to nonresidents for the right to use marketing assets in the services account under the component Charges for use of intellectual property n.i.e. (see *BPM6* paragraph 10.140 and *BPM7* paragraph 11.99).

171. If such fees were paid for the use of marketing assets without a long-term contract, then the payments would be treated as payments for a service.

172. On the other hand if the license to use a marketing asset (for example, a franchise) is purchased with a single payment for use over a multiyear period, or if a license to use is purchased with regular payments over a multiyear contract and the licensee is judged to have acquired economic ownership of a copy of the marketing asset, then it should be regarded as the acquisition of an asset, that is under these conditions the purchaser would be considered to have acquired part of a marketing asset.

173. A practical example of this scenario is where a fast-food restaurant in country A has a multi-year franchise with the owner of the franchise in country B. The restaurant is considered to have a marketing asset on its balance sheet. The franchise fee is generally a payment to the franchisor for the right to operate under their brand and use their business model. The business model part of the fee is not a marketing asset but the permission to operate under the brand would be considered an asset of the franchisee in a multi-year contract.

174. The classification of fees paid for use of marketing assets, whether as intermediate consumption or as an asset, is not relevant to the external accounts. These payments are recorded in both cases as Charges for the use of intellectual property n.i.e. (or partly as rent if this information is available).

175. Compilers may find it challenging to determine what proportion of the BOP category "Charges for the use of intellectual property n.i.e." would be considered part of a multi-year contract and satisfying the conditions of assets. It is further difficult to know from the BOP item what part is a payment for the use of marketing assets. This is because the category of *Charges for use of intellectual property n.i.e.* includes fees payable for the use of many other rights such as the outcome of R&D and the rights to reproduce and distribute software and other content. The EBOPS breakdown is helpful here. The *MSITS 2010* has the following breakdowns of Charges for the use of intellectual property.

176. Compilers are recommended to collect the further EBOPS 2010 detail of Charges for the use of intellectual property.

1. In summary, charges for the use of franchises and trademarks would give rise to a marketing asset on the books of the buyer if these charges are made as part of a multi-year contract. In the case of a franchise some of these payments may not be brand-related so that only the payments for the use of the brand would be considered a marketing asset of the franchisee.

Figure 5. Table 3.3.2 EBOPS 2010 breakdown of charges for the use of intellectual property

2.	8	Charges for the use of intellectual property n.i.e.
3.	8.1	Franchises and trademarks licensing fees
4.	8.2	Licenses for the use of outcomes of research and development
5.	8.3	Licenses to reproduce and/or distribute computer software
6.	8.4	Licenses to reproduce and/or distribute audio-visual and related products
7.	8.4.1	Licenses to reproduce and/or distribute audio-visual products
8.	8.4.2	Licenses to reproduce and/or distribute other products

Marketing assets within MNE groups

177. It is mentioned above that MNEs often strategically position their marketing assets in specific jurisdictions, and this can result in lumpy transactions in the external sector statistics. There are several consequences when high-value marketing assets transfer between economies. First, the entries are shown in the Capital account and therefore have no impact on the current account balance. For this reason, it is important that compilers have certainty about the nature of the asset and should check with the reporter that the asset in question is indeed a marketing asset such as a brand name and not, for instance, the outcome of R&D. Second, efforts should be made to confirm that the transaction is seen in the counterparty compiler's accounts. Third, if a company sells or buys a high-value asset, the compilers should also try to observe evidence of this transaction in the financial account (such as an increase in loan liabilities or a decrease in cash in the accounts of the buyer). Fourth, the rarity and scale of such transactions may trigger confidentiality rules, which could create difficulties for compilers in publishing the data directly (as other entries in the capital account are typically small). Efforts should be made not to suppress the whole capital account, such as by getting permission to publish from the company, or if necessary, by spreading the transaction over a number of time periods.

178. A further point needs to be expressed when measuring marketing assets of MNEs. Because MNEs may locate all the marketing assets of the MNE group in one jurisdiction, this means that the marketing asset may be on the balance sheet of one unit and may even be separately identified as an asset of that unit. However, the expenditures on building this marketing asset through advertising and other promotional services may have been expenditures of many units of the MNE group. For each of the units within the group, a sum of costs-based approach may allocate an estimate of the value of marketing assets attributable to that unit. In this way, if all was measured fully, the sum of the marketing assets of all the participating units would be equal to the total marketing assets of the MNE group, which in this case, sits on the balance sheet of one unit.

179. So there is a somewhat paradoxical situation arising when we combine a sum of costs

based approach alongside a balance sheet approach even if the same unit is not included in the two approaches. The value of marketing assets of an MNE could be measured twice in the global national accounts, firstly as the sum of costs of the MNE units and then on the balance sheet of the unit that holds the marketing assets of the whole group. This paradox is not entirely unresolved. It reflects the nature of intangible assets that can be used at the same time by different units. In this case the expenses of the individual MNE units on advertising and promotional services add to brand recognition of the unit itself, as well as to the brand recognition of the MNE group in its entirety.

Annex I: Measuring Trade in Marketing Assets in Ireland

A description of how we measure trade in intangible assets, both produced and non-produced, in Ireland, and how we treat these across Balance of Payments and National Accounts.

Background

Intangible assets, and in particular the trade in intangible assets, have been an important issue for macroeconomic statistics in Ireland for many years. We have had high levels of imports of IPP since the early 2010s and these have had a significant impact on our National and International Accounts. However, in recent years we have also had occasional high levels of imports of non-produced intangible assets, in particular, marketing assets. Here we will describe how we measure intangible imports, how we delineate between produced and non-produced intangibles, and how these are treated in the National and International Accounts.

Compilation practices

The balance of payments statistics (BOP) in Ireland is compiled by the Central Statistics Office (CSO) and predominantly uses a survey system for data collection. Surveys are mandatory and are conducted by the CSO and the Central Bank of Ireland (CBI). The CBI surveys some financial sectors (including credit institutions, investment funds, special purpose vehicles and financial vehicle corporations) and provides the data to the CSO for statistical compilation purposes. Other sectors are surveyed directly by the CSO with some administrative data also being used.

The data collected from companies is the full balance sheet and profit and loss information broken down by various categories (functional category, geography, counterpart sector etc.). As part of this we collect detailed information on asset types including distinguishing between produced and non-produced non-financial assets. We also have contacts within each respondent that allows us to query surveys received. In the case of produced and non-produced non-financial assets this allows us to engage with the respondents to determine the exact nature of the assets allowing us to correctly classify these.

This is particularly so for our larger enterprises. Our Large Cases Unit (LCU) has responsibility for all data collection from our largest enterprises. This ensures consistency for these entities across all of our outputs. They also have regular contact with these enterprises allowing a better understanding of their activities. The data from the LCU feeds into our main BOP data collection and is included in our compilation.

This data collection method and our close contacts with respondents allow us to correctly allocate intangible assets between the different types and to the correct geography for imports and exports.

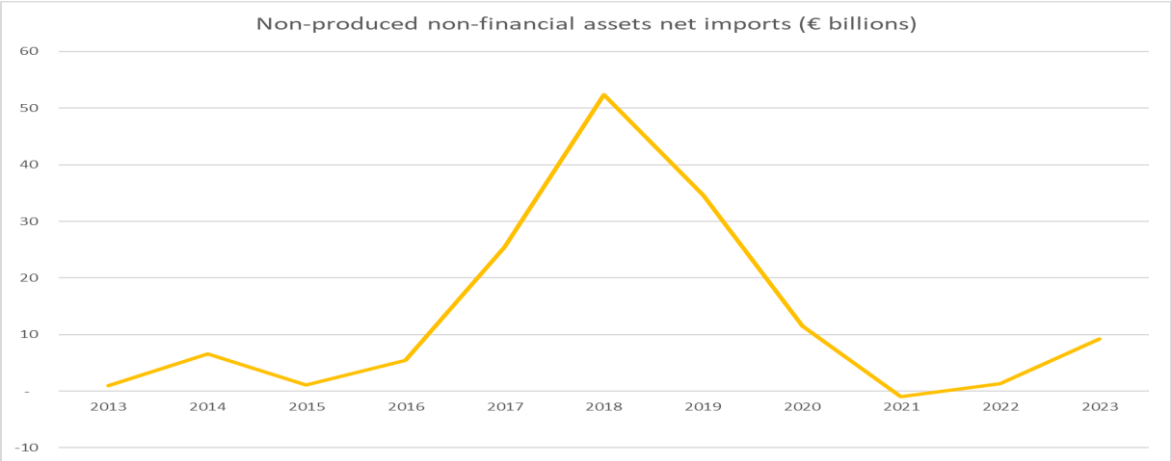
For BOP we can then assign our intellectual property imports and exports to our R&D, computer or audiovisual and related service imports and exports within our Current Account as appropriate. These items may be recorded by the respondent in the balance sheet and would also be collected on the trade in services components of the questionnaire.

And our non-produced non-financial assets like marketing assets are included in our Capital Account.

We have close ties with our National Accounts colleagues, so they then use the external accounts allocations and data to feed into National Accounts data to ensure full consistency across the two. While marketing assets are not included in the capital stocks (being outside the production boundary in the SNA) they are included on a transmission to Eurostat (Table 26) which includes all non-financial assets, produced and non-produced.

And our National Accounts colleagues calculate the depreciation on the produced assets which feeds back into the BOP data ensuring consistency in Net Factor Flows.

Just to show the level of marketing assets in recent years we can see the amounts here:



There is a large amount of volatility and a large level of net imports in some years.

Moving this within the production boundary would add a large amount of volatility to the Current Account balance, similar to the impact of intellectual property imports.

Also, applying depreciation to this would introduce a large amount of volatility to depreciation and subsequently to net factor flows and ultimately GNI, particularly if a short asset lifetime is applied.

While we have not seen exports from Ireland in large levels this may be an issue also. While the CSO is building this up from own account calculations, the MNEs themselves may have a different idea of where the asset is held. So, while conceptually it may be getting built up in multiple countries, Ireland's experience has shown that the MNE may consider the asset in one

country. In addition, a large export may exceed what has been built up in the capital stock of the exporting country, which would have an impact on capital stocks.

Conclusion

In Ireland we use a survey system to collect data on the full balance sheet and profit and loss data from respondents to compile our balance of payments, and this data collection includes the collection of imports and exports of intangible assets. Communication with respondents, in particular through the Large Cases Unit, is crucial for accurate determination of the asset types and close ties with National Accounts means the same data is used for imports and exports of intangible assets and the associated depreciation.

Annex II: Calculating own-account current price investment in marketing assets in the United Kingdom

The Office for National Statistics (ONS) has developed methodology to estimate current price own-account marketing investment in the UK, addressing a long-standing gap in the measurement of intangible assets.

Traditionally, own-account marketing was assumed to be negligible, but ONS's approach uses detailed occupational data, time-use estimates, and asset longevity assumptions to quantify in-house marketing activities. By analyzing job titles and responsibilities across relevant SOC codes, applying time and relevance factors, and adjusting for long-lived outputs and non-labor costs, the method reveals that own-account marketing investment is substantial—ranging from £3 billion in 1997 to a peak of £7.1 billion in 2019. Our current methods represent a significant improvement over previous estimates and highlight the importance of recognizing internal marketing efforts as a key component of economic productivity and capital formation. ONS has been publishing estimates on marketing assets since 2018 and have since published a further 6 articles.

Background

Historically, the UK's national accounts have not explicitly measured own-account marketing investment. Instead, estimates assumed that own-account market research equaled purchased market research, and that no own-account advertising occurred. This approach overlooked the significant in-house marketing activities undertaken by firms, leading to underestimation of intangible investment in marketing.

Overview of compilation practices

The ONS has developed a method to estimate own-account marketing investment using microdata from the Annual Survey of Hours and Earnings (ASHE), the most comprehensive source of information on the structure and distribution of earnings in the UK. The approach involves the identification of occupations relevant to in-house marketing. Wages and salaries from ASHE for individuals engaged in these roles are isolated followed by the application of a series of factors to refine these earnings to a value that represents their investment in own account marketing. An uplift factor is applied to represent non-labor costs, with the final stage being aggregation to industry-level investment:

Identifying Relevant Occupations

This was originally done using the UK's Standard Occupation Classification (SOC) 2010 classification, to identify occupations involved in the marketing process. ONS reviewed the full SOC 2010 hierarchy to identify occupation codes that were relevant. ONS reviewed the job descriptions and responsibilities of each occupation given alongside the SOC 2010 hierarchy, as well as the job titles that are coded to the occupation codes, as given in the SOC 2010 coding index.

Subsequently, work has been developed to account for the movement to the SOC 2020 classification. Below are the occupation codes, time and relevance factors used in ONS's November 2024 release. An explanation of the factors applied can be found below.

Assessing Relevance and Time Allocation

Each occupation was assessed for the following factors:

- As seen in the titles above, UK occupations codes include roles that are not relevant to the definition of own-account marketing investment, therefore we apply a "relevance factor" to identify only the proportion of
- workers by occupation engaged in marketing activities, based on job descriptions
  - For this analysis, job titles in the ASHE microdata for each year between 2011 and 2016 (initially on a SOC 2010 basis) are categorized as either 'relevant', irrelevant' or 'undefined'. Some relevant job titles are easy to identify, most obviously titles that included the words "marketing" or "advertising". Some are too ambiguous to categorize, such as simply "manager", or instances where the job title box had been left blank. Job titles that are clearly irrelevant—for instance, those clearly aligned to sales, procurement, or public relations—are labelled accordingly.
- The proportion of time spent on marketing (based on literature and job descriptions) - "time factors."

The ONS splits the selected SOC codes into four categories (managers, administrators, creatives, and market research interviewers) and attach a time factor to each, based on the job responsibilities outlined in the SOC hierarchy, and a review of the literature. These have been reviewed over time and amended using the most recent occupation classification (SOC 2020).

- A long-lived asset factor (30 percent for in-house advertising and 80 percent for in-house market research) reflecting the share of marketing that yields benefits beyond one year.
  - This is based on an American study by Robert Coen, cited by Corrado et al (2005)
  - For each UK occupation, it is thought that they produce both advertising and market research products, so the overall capitalization factor for each is a weighted total of the time they spend on each activity ("advertising" and "market research" factors) multiplied by the relevant capitalization factor for those work types
  - For example, Merchandisers spend 5 percent of their time on advertising and 95 percent on market research. Multiplied by the relevant capitalization factor for each (0.3, 0.8, respectively) they achieve an overall capitalization factor of 0.78. ([0.05 x 0.3] + [0.95 x 0.8]).

For years prior to 2021, the year where SOC 2020 was first used in our earnings estimates, ONS are planning to introduce a mapping factor which will account for the movement of employ across occupation classification vintages, based on the assumption that the detail available in the latest classification gives us the clearest picture of what occupations produce marketing assets.

Furthermore, it is unlikely that labor is productive 100 percent of the time, with numerous studies finding that workers both deliberately waste time (Mulholland 2004, salary.com 2013) and are unproductive due to menial tasks unrelated to their job description (Gavett, 2015). Project management literature recommends assuming that resources are only productive 80 percent of the time (MindTools), and conversations with project managers have supported this type of assumption in project planning. Based on the above discussions, ONS assume a maximum time-factor for each occupation of 70 percent across all own-account investment (reduction for unrelated activities, and for related activities that fall outside the production process for investment). This productive upper limit is considered in our time factor estimates for marketing assets.

Adjusting for Non-Labor Costs

A “cost uplift” factor is applied to account for non-labor inputs such as materials, overheads, and capital consumption. ONS create this cost uplift factor using compensation of employees for relevant industries associated with marketing as a numerator, and the total gross output (compensation of employees, intermediate consumption, consumption of fixed capital and operating surplus) for the relevant industries associated with marketing as the denominator. The resulting factor is applied to the labor costs to calculate the total value of the asset, which reflects both labor and other costs incurred. We use UK Supply and Use data for Standard Industrial Classification (SIC) 73 (Advertising and Market Research) to create this.

Exclusion of Purchased Services

To avoid double-counting, nearly all workers’ investment in SIC 73 (Advertising and Market Research) is excluded from ONS’s own account estimates, as their output is already thought to be captured in purchased marketing estimates. A smaller “sales adjustment” is applied to workers in other marketing-related industries.

Disclosure Control

Before publishing the estimates, we also account for disclosive values, following ONS’s policy on statistical disclosure control for individuals.

Worked example for occupation 3553: Merchandisers, with running total.

Total gross pay (ASHE) = £25.0 million

x

Time factor of 0.7 = £17.5 million

x

Relevance factor of 0.45 = £7.9 million

x

Weighted capitalization factor of 0.78 = £6.1 million

x

Non-labor cost uplift of 2.7 = £16.6 million

X

Industry specific adjustments for purchased marketing = -£0.7 million

Own Account marketing investment for occupation 3553: Merchandisers = £15.9 million

Conclusion

The development of a methodology to measure own-account marketing investment marks a significant advancement in the understanding of intangible assets within the UK economy. By moving beyond assumptions and incorporating detailed occupational data, time-use analysis, and asset longevity considerations, the ONS has provided a more accurate and nuanced picture of in-house marketing activities. The findings reveal that own-account marketing is a substantial and previously under-recognized component of business investment, with implications for productivity analysis, national accounting, and policy development. While the methodology involves complex assumptions and requires further refinement, it represents a meaningful step toward capturing the full value of marketing as a driver of long-term economic growth.

Chapter 4 – Price and Volume Estimation

Deflators to derive volume measures

180. An ideal deflator for purchased investment in marketing assets would measure the prices paid by businesses to obtain marketing and advertising services, including purchases from both the domestic and import markets. However, there are very few countries that measure changes in the prices non-household purchasers pay for services. While some countries produce input price indices for goods, only a handful compile this indicator for services. There are also very few services import price indices produced around the world. This is a data gap that carries greater significance today as cross-border service trade has increased over time. The only country currently known to produce a directly collected import price index specifically for marketing and advertising services is Sweden.

181. That generally leaves services output producer price indices (PPIs) as the best available option for deflating these services. These PPIs measure the basic prices received by domestic providers of marketing and advertising services.

Services PPIs: Industries and Products

182. Deflators should be identified for both: 1) professional services companies that create advertising and marketing campaigns, design corporate logos and branded materials, and assist advertisers to optimize their media purchases, and 2) media companies that generate revenue by selling advertising time and space.

183. The first set of companies are largely classified in ISIC Rev.5 Section N, Professional, scientific and technical activities. This includes advertising agencies, marketing consultants, graphic designers, and market researchers. Sveikauskas and others (2023) also include website designers, classified in Section K, Class 6219 as providers of advertising and marketing services

184. The second set of companies are primarily but not exclusively classified in ISIC Rev.5 Section J, Publishing, broadcasting, and content production and distribution activities. Section J includes newspapers, periodicals, radio broadcasters, television broadcasters, third-party streaming services, and social network sites. Firms outside of Section J that also sell substantial amounts of advertising include operators of cable distribution systems (Section K, Class 6110) and web search portals (Section K, Class 6390). Even establishments as varied as airports, sports teams, and theaters may generate some revenue from the sale of advertising and sponsorships. As a rule, wherever people gather advertising will typically follow unless explicitly forbidden.

185. Countries have been expanding their coverage of PPIs to include more services activities, including those related to marketing and advertising. Table 6 table provides an overview of countries currently disseminating PPIs for publishing, broadcasting, and advertising

and market research activities[31]. The European Union business statistics regulation was expanded to require publication of publishing and programming and broadcasting activities in 2021, greatly increasing the amount of official advertising price data available. Other countries that produce detailed PPIs for each of these activities include the United States, Japan, the Republic of Korea, New Zealand, and Israel. Countries that do not produce PPIs for these activities may consider using these indices as an input to their own estimated deflators.

Figure 6. Countries Disseminating PPIs for Services Related to Marketing and Advertising

Country	ISIC J58, Publishing	ISIC J60, Programming and broadcasting	ISIC M73, Advertising and market research
European Union members	X	X	X
United Kingdom	X		X
Norway	X		X
Switzerland			X
*Turkiye	X	X	X
Israel	X	X	X
Republic of Korea	X	X	X
Japan	X	X	X
*Vietnam	X	X	X
New Zealand	X	X	X
Australia	X		X
United States	X	X	X
*Mexico	X	X	X

* - Published indices at sector level only, detailed industry indices for these services not published

186. Services PPIs may be produced for industries or products. A relevant industry-based PPI might measure changes in the advertising prices received by statistical units classified in a single ISIC activity, such as newspaper publishing or television broadcasting. A relevant product-based PPI, on the other hand, might measure changes in all advertising sales, regardless of the industrial classification of the firm providing the service. Since marketing and advertising services are produced by firms classified in multiple industries, product-based PPIs are better suited for deflating total expenditure or production of advertising and marketing services when available.

Intermediation of advertising and marketing services

187. One aspect of advertising agency services that bears particular attention is their role as an intermediary in the sale of advertising space. ISIC Rev 5 defines intermediation services as "activities that facilitate transactions between buyers and sellers for the ordering and/or delivering of goods and services for a fee or commission, without supplying the services or

[31] The list is based on publicly available data as of June 2025 and may not be comprehensive.

taking ownership of the goods that are intermediated." This description is suitable for some of the services provided by advertising agencies, include advertising placement services. Intermediation services should be priced on a net, rather than, gross basis.

188. For example, an advertising agency may assist a client with placing a video advertising campaign across various media, including multiple television broadcasters and Internet streaming sites. The goal of the campaign is to reach a cumulative total of 80 million views by people between the ages of 18 and 49. The advertising agency might charge a 15 percent commission rate for planning which outlets to purchase from and negotiating for the best rates with the broadcasters and streamers. Let's say each advertisement costs an average of .025 per viewer in the desired age range, or 25 per 1,000 viewers. The cost per thousand viewers, known as a CPM, is a commonly used metric to negotiate advertising rates. To reach the objective of 80 million views, the agency will need to buy 80,000 units of 1,000 viewers. At a price of 25 CPM that equals a total amount of advertising spend of 2,000,000 (80,000 x 25). This 2,000,000 accrues as output of the media companies and not of the advertising agency. The agency's output would be the commission only (15 percent x 2,000,000 or 300,000), and this is the appropriate price to measure in the advertising agency PPI.

Quality adjustment: Audience size and Engagement

189. With advertising outcomes traditionally defined based on the number of people reached, a key question is whether prices should be monitored in terms of 1) prices per advertisement or 2) CPMs or similar metrics. In discussing advertising services, the Eurostat Handbook on Price and Volume Measures in National Accounts notes that "changes in the number of people that see the advert" should be considered in measuring the output of media companies. In other words, if a broadcaster's sales rise due to higher advertising rates caused by larger audiences, this should be reflected as an increase in volumes. This can be achieved by using CPMs or similar metrics as prices in the PPI.

190. Table 7 is for an example country with a single television broadcasting company that earns 100 percent of their revenue through ad sales. In 2024 their viewership increases by 50 percent from 80 million ad views to 120 million ad views. Their average price per ad also increases 50 percent from 20 to 30, which represents a constant CPM of 2.5. If the PPI is compiled based on CPMs (recommended approach), it will not change between 2023 and 2024. As a result, the full increase in the value of output would be shown as an increase in volume. Alternatively, if a price index measured on a per ad basis is used (not recommended), the price index will increase 50 percent leading to no change in volume[32].

[32] While this simple example shows the case where the change in sales is perfectly aligned with the change in audience size, there are also cases where changes in audience size account for some but not all of changes in advertising sales.

Figure 7. Broadcasting Company Sales and Prices

	Number of ads sold	Sales	Average price per ad sold	Number of ad views (thousands)	Average CPM
	a	b	c = b / a	d	e = b / d
2023	10 million	200 million	20	80,000	2.5
2024	10 million	300 million	30	120,000	2.5

Price and Volume Measures

	Output, current prices	Price index A (per ad sold)	Output, 2023 prices, using price Index A	Price index B (CPM)	Output, 2023 prices, using price index B
2023	200 million	100	200 million	100	200 million
2024	300 million	150	200 million	100	300 million

191. The differences between the price per ad and the price per thousand viewers would impact volume estimates similarly in the case where audience size shrinks. Over the last several decades the audience size for many traditional media formats has shrunk as consumers switched to online media. This has been particularly true for printed newspapers and periodicals. If nominal output drops along with declines in audience size, only price measures that factor in audience size will result in changes in volumes.

192. Countries currently take different approaches to measuring advertising prices in PPIs. Pegler and others (2009) reported that approximately half of 15 surveyed countries use audience size measures either directly in the price or as a quality adjustment factor. There are two differing methods for quality adjusting PPIs: 1) the resource cost approach and 2) the user value approach. The resource cost approach is based on a theoretical fixed-input output price index, with quality changes estimated based on changes in the cost of production. The user value approach estimates changes in the utility end users receive from using the product. While a user value approach clearly points towards adjusting for changes in audience size, this is less clear with the resource cost approach. Changes in viewership or audience size may not be clearly correlated with increased costs of production. For example, some highly rated reality or competition programs have lower production costs than lower rated scripted programming. For this reason, some countries following the resource cost approach use indices more like price index A in the prior example.

193. For Internet advertising, alternative measures may be used in place of CPMs. This includes cost per click or cost per action. Here advertising is valued not only on the number of viewers, but on the number of users who click on the advertisement to navigate to the advertiser's website, or the number of users who take an action, such as registering on the advertiser's website or providing their email address. These metrics point towards an added value of Internet advertising when compared to traditional non-interactive media, greater ability to monitor the number of sales or other actions directly tied to engagement with a given

advertisement. Sveikaukas and others (2023) consider that Internet advertising may also provide more value because of the greater ability to target specific populations, such as users who searched for “vacation hotels”, or those who have downloaded a specific application on their smartphone. This targeting may be subject to regulation and/or require active user content in some jurisdictions. Further research on estimating the value of these quality differences would be useful.

Volume measures for own-account marketing

194. For marketing and advertising investment that is undertaken on own-account rather than purchased, volume measures may either be compiled based on: 1) indices of input costs or 2) output price indices for comparable market activities.

195. Input cost measures, while likely to be largely based on wage cost indices for specified occupations, as described in Chapter 3, should also include the non-labor costs involved in the own-account marketing production. These inputs can be weighted based on their contributions to the sum of costs and the associated wage indices and intermediate input costs associated with the production of advertising and marketing services. Since volume measures based on unadjusted input costs fail to capture the effects of increased productivity over time, the SNA recommends adding a quality adjustment to convert the input index to a pseudo-output index. The *Handbook on Measuring Data in the National Accounts* describes a few options for compiling this estimate, most notably applying total factor productivity estimates for industries with the highest level of employment of the selected occupations. This is likely to be the advertising related industries in ISIC Division 73, Activities of advertising, market research and public relations. However, as noted in the *Handbook on Measuring Data in the National Accounts,* NSOs must be transparent regarding the source of any adjustments that they make to the price indexes to reflect productivity or quality improvements.

196. Output price indices for advertising creative services are likely to be the best proxy for own-account marketing and advertising services. Output prices for these activities in Division 73 are primarily based on the billed labor charges of the professionals that design and plan advertising and marketing campaigns. Output price indices for media activities, which cover the market prices of advertising space and time, are not appropriate proxies for own-account marketing. Similarly, the commissions advertising agencies receive for intermediating the sale of advertising are also not suitable proxies. This is because the purchase of advertising space and time will virtually always be purchased from media companies, even when creative and marketing services are performed by in-house staff.

Chapter 5 – Deriving Estimates of the Capital Stock

197. It is essential for businesses and advertisers to assess the impact of marketing and advertising campaigns on consumer behavior over time. Companies may allocate substantial budgets to advertising and marketing, anticipating measurable outcomes such as enhanced consumer engagement, strengthened brand loyalty, and sustainable revenue growth. As noted in Chapter 3, such expenditures on advertising and marketing are intended not only to boost immediate sales, but also to create assets that yield benefits extending beyond the expenditure period.

198. This chapter examines methodologies for estimating the stock of marketing assets derived from the flows of marketing and advertising outputs within the framework of national accounts.

The Perpetual Inventory Method—An overview

199. The *Handbook on Deriving Capital Measures of Intellectual Property Products* (OECD, 2010) presents a comprehensive discussion on the sources and methods to derive capital stock measures for intangible assets. The Perpetual Inventory Method (PIM) has traditionally been applied to tangible fixed assets such as machinery and buildings. Its application to intangible assets, including marketing assets, is less developed and presents unique challenges due to measurement difficulties and data limitations. The *Handbook on Measuring Data in the System of National Accounts* (2025) includes an extensive discussion on the use of the PIM for estimating the capital stock of data. The principles presented in the Handbook can also be applied here.

200. The PIM is based on the principle that the capital stock at any given time represents the accumulation of past investments, adjusted for retirements and depreciation. It is a well-established technique in national accounting for estimating both capital stock and consumption of fixed capital.

201. The PIM is used when direct measures of capital stock are unavailable or incomplete. It derives estimates of capital stock and depreciation from a time series of GFCF, which captures the flow of investment in assets.

202. The essential parameters of the PIM include:

- A sufficiently long time series of investment data GFCF, net of disposals
- A corresponding time series of price indices to deflate nominal investments into real terms
- A benchmark estimate for capital stock at a point in the past
- Asset-specific average service lives

- Assumptions about the depreciation function (e.g., geometric or linear) and retirement pattern of assets.

203. This chapter does not provide an extensive technical review of the PIM but focuses on a critical component, the estimation of service life. This component indicates how long an asset contributes to production and both the rate of decline in efficiency and the value over time. Since not all assets within a category behave identically, statistical distributions are often used to capture service life variability. The service life parameter is considered the most difficult to estimate accurately, more so for intangible assets.

Estimating service life

204. Empirical data on the service life of marketing assets are limited as evidenced by the paucity of reliable estimates in the experimental studies undertaken by some national statistical agencies.[33] Estimating the service life involves determining how long a marketing campaign continues to influence consumer behavior, brand equity, and revenue after the campaign ends. The effective life span also depends on the capitalization estimates applied to advertising and market research expenditures. Higher capitalization rates generally imply a shorter service life, as benefits are assumed to accrue quickly.

205. Estimates based on surveys of companies conducted in the United Kingdom in 2010 and 2012 (Martin, ONS 2019) found that the mean expected benefit duration for reputation and branding expenditures was approximately three years. However, variation by industry, product type, and campaign objectives is expected. Martin further concedes that it would be difficult to determine what proportion of total spending on branding would meet the threshold for investment remains difficult.

206. Corrado, Hulten, and Sichel (2009) also assume a typical service life of three years for advertising. This assumption follows earlier empirical work by Landes and Rosenfield (1994), who estimated geometric decay rates across 20 industries. Their findings suggest that most advertising effects are short-lived, although major brands with sustained investment may experience longer-lasting impacts[34]. Experimental estimates for the Netherlands have used a three-year service life following the approach used by Corrado, Hulten, and Sichel[35].

207. Several factors may influence the service life of marketing assets. These include:

- **Changes in consumer behavior**: Rapid shifts in preferences due to digital innovation may reduce the longevity of advertising effects.

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[33] Two examples of these experimental estimates are discussed in this section.

[34] T Landes and Rosenfield argue that the estimates of longer durability of advertising effects is that the studies did not control for firm-specific factors such as product quality.

[35] Rooijen-Horsten Myriam van, Bergen Dirk van den, Haan Mark de, Klinkers Angelique and Tanriseven Murat "Intangible capital in the Netherlands: measurement and contribution to economic growth", 2008. Available at https://www.cbs.nl/nl-nl/achtergrond/2008/41/intangible-capital-in-the-netherlands-measurement-and-contribution-to-economic-growth.

- **Brand equity**: Well-established brands may sustain marketing benefits longer due to high recognition and trust.

- **Product category**: Advertising for durable goods may have a longer service life than advertising for non-durable consumer goods. Durable goods are much less susceptible to impulse buying and require more financial planning by consumers. Since the acquisition is expected to take place after the exposure, the advertisement is designed to have a longer lasting effect on the consumer.

- **Business versus consumer clients**: Advertising campaigns targeting other businesses (e.g. for machinery and equipment; business solutions applications) may be designed to have longer durations due to the extended decision cycles and contract-based purchasing of companies.

- **Type of campaign**: As discussed in Chapter 3, campaigns focused on brand building tend to have longer-lasting effects than those aimed at short-term promotions.

Approaches to estimating advertising service life

208. Marketing assets yield value over time, but unlike physical capital, they lack standardized depreciation schedules. Measuring the duration of impact is difficult because advertising responses are often delayed and spread over time. One practical approach is to monitor when brand engagement or sales begin to decline after a campaign ends. However, in practice, campaigns often overlap or continue in some form, making this approach hard to implement.

209. Three methodological approaches are commonly discussed:

- **Survey-based methods**: Asking firms to report expected benefit periods for advertising and branding (the information could be based on actual estimates or expert knowledge).

- **Modeling approaches**: Estimating decay parameters through statistical models such as adstock or regression-based techniques.

- **Combined methods**: Using both observed behavioral data and expert judgment to triangulate estimates.

210. For national statistical agencies, surveys of companies undertaking advertising may be the most feasible approach. These entities have in determining the effectiveness of their advertising campaigns in achieving the desired returns on their advertising investment. Thus, the firms would need to gauge how long the advertising effects would last. We present below some of the main methods that advertising and marketing companies use to gauge the effects of advertising and marketing. One is the use of advertising adstock in marketing mix models. The other is the estimation of customer lifetime value and the need to assess the effectiveness of marketing campaigns.

Advertising adstock

211. Advertising adstock is a modeling concept that accounts for the carryover effect of advertising. Introduced by Broadbent (1979), the model assumes that consumers retain memory

of advertisements and that their influence decays over time unless reinforced. The adstock model is represented as:

$$\text{Adstock}_t = X_t + \lambda \times \text{Adstock}_{t-1}$$

Where:

Adstock_t is the accumulated advertising effect in period t

Adstock_{t-1} is the adstock level in the previous period

X_t is the advertising spend in period t

λ is the decay rate, where $0 \leq \lambda \leq 1$

Adstock estimates are key inputs into marketing mix models (see box).

The decay rate is typically estimated statistically, though it may also be informed by prior empirical studies or expert assumptions.

Customer lifetime value

212. Customer Lifetime Value (CLV) models assess how long newly acquired or retained customers generate value following marketing interventions. These models incorporate advertising's long-term influence on loyalty, repeat purchases, and brand advocacy. Estimating the CLV associated with a campaign provides another perspective on service life: the longer customers remain profitable due to campaign-induced engagement, the longer the implied service life of that investment. CLV connects directly to marketing investment decisions.

213. Companies may compare the cost of acquiring a customer with their expected lifetime value to evaluate the profitability of different acquisition channels and campaigns, such as specific marketing and advertising campaigns. This may require the company to determine how long the effects of a specific campaign are expected to last. A CLV-to-CAC ratio is often used to assess marketing efficiency. High CLV estimates justify greater upfront investment, while low CLV customers may require cost-efficient, scalable acquisition strategies.

Box 4. Marketing Mix Models

Marketing mix models (MMMs) are used to quantify the impact of various marketing activities on business outcomes, such as sales, brand awareness, or customer acquisition. These models use time series on inputs such as media spend, pricing, promotions measure and assess the contribution of each component in the marketing mix. By estimating how each input correlates with changes in output, MMMs help businesses understand what drives performance and guide decisions on how to allocate budgets more effectively.

A key feature of MMMs is accounting for the fact that the effects of advertising do not occur instantaneously or proportionally. It therefore accounts for the fact that some advertising typically produces a lingering influence that fades over time. This is captured in MMMs by adstock functions. Adstock therefore shows how advertising effects carry over from one period to the next, simulating the way consumers accumulate and forget marketing messages.

The adstock transformation adjusts the original media input variable by applying a decay rate that represents how quickly the effect diminishes over time. For example, a television ad campaign might have its peak influence in the first week but still affect consumer decisions in the second or third week, albeit with decreasing intensity. The decay rate, often denoted by lambda, is typically estimated from the data, though it can also be informed by external studies or expert judgment.

MMMs can incorporate adstock to attribute outcomes more to advertising efforts. In this way, the models can reflect consumer behavior and improve the reliability of insights used for planning and budgeting. Without adstock, MMMs my overestimate short-term effects while underestimating the cumulative impact of sustained campaigns.

Meta's Robyn is an experimental, AI/machine learning-powered and open-sourced MMM to help advertisers and analysts evaluate the effectiveness of marketing activities. It addresses the challenge of how to accurately attribute sales and other business outcomes to various forms of advertising, especially as traditional methods such as user-level tracking are becoming less viable.

Chapter 6 – Country Case Studies

214. This chapter provides detailed case studies from various countries, illustrating their approaches to measuring marketing assets. These case studies highlight the methodologies, data sources, and challenges faced by national statistical offices in estimating the value of marketing assets. The chapter includes examples from the Netherlands, Spain, the United Kingdom, and the United States, showcasing different strategies for capturing both purchased and own-account marketing investments. Each case study offers insights into the practical application of theoretical concepts, emphasizing the importance of consistent and transparent methods to ensure accurate and comparable estimates across countries.

6.1 The Netherlands: Marketing Assets Estimation for the Netherlands: A New Benchmark Estimate

215. This report presents an updated estimation of marketing assets production in the Netherlands, based on the definitions and methodologies outlined in this Guide. Marketing assets can be created either through purchases from marketing agencies or produced internally by firms. Purchased assets are estimated using the supply and use tables, while own-account production is calculated via a cost-summing approach. The estimates are prepared at the A*38 NACE Rev.2 industry classification level, with a special separation of industry 73 (Advertising and Market Research) from the combined group 73-75. This separation is informed primarily by the availability of labor data essential for estimating own-account production.

Background

216. Previous research by Statistics Netherlands (2008) examined the capitalization of intangible assets, including brand equity, within the national accounts framework. Using detailed expenditure data, brand equity was defined as marketing outlays intended to enhance brand value over multiple years. The study excluded short-term promotions, government advertising, and intermediary spending to avoid double counting. This approach demonstrated that a portion of marketing expenditure conceptually qualifies as fixed assets under the SNA (even if in practice it is not considered as a produced asset in the SNA). The current study builds upon this foundation by incorporating updated data and refined methodologies.

Sources and methods

Purchased marketing assets

217. Purchases of marketing services are classified as intermediate consumption and can be extracted from the use table. This includes CPA (2008) codes 73.1 (Advertising services) and 73.2 (Market research and public opinion polling). Both are separately identified in the construction of the Dutch supply and use tables, with code 73.1 dominating at 91 percent of the total.

218. Except for NACE industry 73, which is treated separately, no direct source for advertising service purchases (CPA 73.1) exists within the Dutch Structural Business Statistics (SBS)—the main input for the supply and use tables. Instead, these purchases rely largely on the SBS variable ‘sales costs’, which also includes other cost items including trade services.

Own account production

219. In-house production of marketing assets is estimated using a sum-of-costs approach. Labor costs are derived from wages associated with occupations involved in producing marketing assets. Additional costs are estimated using the labor costs-to-output ratio from NACE industry 73, calculated at 4.7.

220. Occupations relevant for labor cost estimation are identified using the competence-based methodology detailed in the Guide on data assets, employing the European Skills, Competences, Qualifications and Occupations (ESCO) dataset. ESCO classifies 10,715 competencies across 3,039 occupations. Relevant occupations are selected based on a shortlist of over 100 marketing-related competencies, with essential competencies weighted twice as much as optional ones. These are then aggregated to ISCO (2008) 4-digit codes using unweighted averages.

Figure 8. Table - Marketing-relevant occupations following the CROM method.

#	ISCO code	ISCO description	Involvement rate	# underlying occupations
1	2432	Public Relations Professionals	21%	11
2	2431	Advertising and Marketing Professionals	20%	21
3	1222	Advertising and Public Relations Managers	18%	3
4	1221	Sales and Marketing Managers	15%	16
5	4419	Clerical Support Workers Not Elsewhere Classified	13%	2
6	9510	Street and Related Service Workers	11%	1
7	3322	Commercial Sales Representatives	9%	3
8	5221	Shopkeepers	9%	1
9	2513	Web and Multimedia Developers	7%	5
10	1223	Research and Development Managers	7%	12

221. The first four occupations listed in Table 1 are used for calculating labor costs, with involvement rates representing the proportion of time dedicated to advertising and marketing asset production. Some other occupations on the list, such as commercial sales

representatives, are excluded due to limited relevance or representativeness.

222. Labor force data by occupation and industry come from the Dutch Labor Force Survey (LFS). The number of industries is somewhat constrained given that the LFS is a sample survey, but enough for the A*38 breakdown. Average hours worked are approximated using industry averages, while wage data are based on occupation averages at the 3-digit level. Labor costs are adjusted to align with national accounts concepts by applying industry-specific ratios of wages (D11) to other labor costs (D12).

Capitalization rate

223. The combined estimates (purchases plus own-account production) include all marketing activities, but only those with long-term benefits qualify as investment under SNA criteria. Long-term marketing focuses on brand building with benefits accruing beyond one year, while short-term marketing targets immediate customer actions.

224. A conventional 60/40 split (long-term/short-term) is commonly applied in marketing literature. This study explored industry-specific capitalization rates based on expert input and available studies. Public services generally have higher capitalization rates (~80 percent), while goods-producing industries range between 40-50 percent. Industry 73 (Advertising and Market Research) is assigned a capitalization factor of zero to avoid double counting, since marketing assets produced here are for external clients and included elsewhere in purchases.

225. The resulting weighted capitalization factor for the entire economy is 52 percent.

Scenarios

226. The study considers alternative scenarios, such as expanding the set of occupations included or varying capitalization rates.

Price and volume measures

227. Estimates for 2021-2023 (largely constrained by LFS data which changed their methodology in 2021). Discussion of price data.

Results and discussion

228. In 2021, total marketing asset investment in the Dutch economy is estimated at €15.5 billion, approximately 1.7 percent of GDP. Industry impacts vary significantly, with value-added increases of 6-7 percent in sectors within NACE section J (e.g., 58-60, 62-63), and the smallest relative increases in goods-producing industries such as Mining & Quarrying (section B) and Agriculture (section A).

Figure 9. Table - Results, total economy, 2021 in million euros.

Intermediate use	19.756
Own account production	10.084
Of which: labor costs	2.163
Of which: other costs	7.921
Total production and purchases of marketing services	29.840
Capitalization rate (weighted)	52%
Marketing assets	15.528

6.2 Spain: Measurement of Marketing Assets in Spain

229. This case study presents Spain's experimental approach to measuring marketing assets. The initiative, led by INE-Spain, aims to develop a methodology for quantifying the investment and stock of these intangible assets, following recent international discussions on the revision of the 2008 SNA. The analysis focuses on both own-account production and market acquisitions, using national sources and building on established literature such as the Corrado, Hulten, and Sichel (2005) framework.

Background

230. The increasing economic relevance of intangible assets has highlighted the need to improve their treatment in the SNA. Among them, marketing assets—such as brand names, logos, and digital domains—play a central role in firms' strategies to differentiate their products and capture market share. However, their integration into the national accounts remains limited due to valuation and classification challenges.

231. In response, INE-Spain has developed a research project to test the feasibility of treating marketing assets as produced capital, despite their current classification as non-produced assets under the 2008 SNA and the forthcoming 2025 SNA. This work seeks to lay the groundwork for future implementation in official statistics by defining compilation protocols and testing alternative estimation methods.

Data sources used

232. The estimation of marketing assets in Spain is based on a broad set of national statistical sources that enable the identification of economic flows associated with their production and acquisition. The key sources include:

- The *Structure of Earnings Survey* (EES), which provides detailed information on wage costs by occupation, classified using the *National Classification of Occupations* (CNO-2011).

- The *Labour Force Survey* (EPA), used to estimate the number of employed persons by occupation and industry (CNAE-2009), also distinguishing by employment status (employees, self-employed).

- The *Supply and Use Tables* (SUTs) of the national accounts, which allow the identification of intermediate consumption of marketing products, particularly *advertising and market research services* (CPA 73).

- Aggregate data from the National Accounts, including *compensation of employees*, GFCF, *intermediate consumption*, *taxes on production*, and GDP deflators.

Compilation practices

233. The estimation of investment in marketing assets follows a dual approach, distinguishing between own-account production and market acquisitions, both of which would be recorded as *GFCF* (P.51) in the national accounts.

1. Own-account production is valued using the cost approach, combining labour and non-labour components:

- The labor component is derived from the *compensation of employees* in marketing-related occupations. These include *sales and marketing managers* (CNO 122), *marketing and public relations professionals* (CNO 243/265), and supporting roles such as designers and creative technicians. For each occupation, a percentage of time spent on marketing activities is estimated, ranging from 5 percent to 50 percent, and applied to the number of workers and their average wage.

- The non-labour component—which includes intermediate consumption, capital consumption, and taxes on production—is imputed using a cost ratio. Among three tested options, a ratio reflecting the average cost structure of specialised firms in *advertising and market research* (CNAE 73) is selected, yielding a value of 1.66 in 2021. This means that for every euro spent on labour, an additional €1.66 is allocated to other production costs dedicated to produce marketing.

2. Market acquisitions of marketing assets are estimated based on *intermediate consumption* of CPA 73 (*advertising and market research services*) by industry, taken from the *Supply and Use Tables*. These expenditures are then adjusted by applying a capitalisation factor (CF) to approximate the share of services that contribute to long-term brand value creation. The baseline CF is set at 0.6 for most industries, and 0.3 for the marketing services sector itself (CNAE 73), in order to exclude purchases made for resale and avoid double counting.

234. This approach ensures that both internally generated and externally acquired marketing assets are consistently treated within the production boundary. It also allows for flexible sensitivity testing by varying key parameters, such as time-use assumptions and capitalisation factors, while remaining fully grounded in existing national statistical infrastructure.

Specific issues

Deflators and constant price estimation

235. Since there are no dedicated price indices for marketing assets, a set of proxy deflators is used to express values at constant prices. For employee compensation, indices are constructed using the number of workers and their average wages by occupation. For other production costs—intermediate consumption, capital consumption, and taxes—the GDP deflator is applied as a general price measure. Market acquisitions of marketing services are deflated using indices derived from the *Supply and Use Tables* (SUTs), ensuring internal consistency with national accounts price systems.

Asset lifetime and depreciation

236. Marketing assets are assumed to have a short useful life due to their rapidly changing nature in business environments. A 50 percent geometric depreciation rate is applied to reflect their fast obsolescence. Stocks are computed using the *Perpetual Inventory Method* (PIM), which accumulates past investments while accounting for depreciation and retirement.

Sensitivity analysis

237. To assess the robustness of the estimates, three scenarios were developed—low, baseline, and high—based on different assumptions for time-use allocation, occupational coverage, and the capitalisation factor. The low scenario excludes auxiliary occupations, includes only employees, and lowers the CF to 0.5. The high scenario increases both the time share allocated to marketing tasks and the CF (up to 0.7). These simulations help identify the range of plausible estimates and highlight the sensitivity of results to key assumptions.

Avoiding double counting

238. A key concern is the potential overstatement of investment when marketing services purchased for resale are mistakenly treated as final use. To address this, *intermediate consumption* is adjusted to exclude such transactions within the advertising and market research industry (CNAE 73). This ensures that only final uses are capitalised and avoids duplication in investment estimates.

Methodological consistency

239. The Spanish approach is conceptually grounded in the framework developed by Corrado, Hulten, and Sichel (2005), widely adopted in international initiatives such as EUKLEMS and INTANProd. The use of the selected ratio for imputing non-labour costs is also consistent with practices in the estimation of other intangible assets, such as own-account R&D and software.

240. Overall, these issues underscore the complexity of estimating marketing assets, while also demonstrating that meaningful approximations are feasible with coherent assumptions and existing statistical infrastructure.

Conclusion

241. Spain’s case study illustrates both the methodological opportunities and the conceptual

challenges involved in measuring marketing assets within the national accounts framework. By combining detailed occupational data, input cost structures, and capitalisation factors, the proposed method offers a feasible and transparent way to treat marketing assets as produced capital. Despite the current classification of these assets as non-produced under SNA 2008 and SNA 2025, the Spanish approach demonstrates that practical estimation is possible using available national data and well-defined assumptions. It also provides a valuable testing ground for international harmonisation, especially in the context of knowledge-based capital.

242. Looking ahead, further development is needed in key areas such as the construction of specific price indices, refinement of depreciation rates, and better alignment with other intangible asset categories like R&D and software. Spain's experimental estimates offer a robust starting point for informed discussion, but their integration into official statistics will ultimately depend on international consensus and future guidance from the SNA revision research agenda process. Continued collaboration among national statistical offices, supported by methodological experimentation, will be essential to ensure consistency, comparability, and policy relevance in the treatment of marketing assets.

6.4 United States: Marketing in the United States

Based on Sveikauskas et al. 2024, a *Review of Income and Wealth* paper

243. This case study describes how we developed macroeconomic measures of marketing assets broadly similar to Corrado and Hao (2014) and Heys and Fotopoulou (2022). Our primary analysis covers the 1987–2020 period. We can calculate the impact of marketing investment on output growth during this period. In a secondary analysis, we present tentative historical estimates for the pre-1987 period. We also construct and analyze measures of marketing investment for each of the 63 industries that jointly comprise the U.S. private business and government sectors.

Background

244. Empirical research has shown that marketing efforts often increase customer purchases over several years and therefore marketing expenditures should be counted as investment (Lodish et al., 1995; Bronnenberg et al., 2012; Bursztyn and Cantoni, 2016). Consistent with that empirical research, the SNA considered including marketing assets as an additional type of intangible investment in the core GDP statistics (IMF, 2022). This case study follows that 2022 consideration and constructs measures of marketing that are broadly similar to previous research (Corrado and Hao 2014; Heys and Fotopoulou 2022). However, these marketing measures are more detailed with separate measures of marketing investment for each of the 63 industries that jointly comprise the U.S. private business and government sectors.

245. The paper summarized in this case study was intended to be a complete and thorough discussion of marketing as an intangible investment. After this work was completed, international guidance for national accounting decided to include data in the core GDP, but include many elements of marketing in the extended GDP statistics only (United Nations 2025, section 11.114-118, 11.176, and A4.56). Subsequent research explored splitting marketing investment based on the updated guidelines (Soloveichik et al. 2024). That paper shows that a portion of marketing investment may be customer data collection that is in scope for the core

GDP statistics, but much more research would be needed before customer data collection could be incorporated into the published GDP statistics. The remainder of marketing investment involves brand building that is only in scope for the extended GDP statistics.

Overview of compilation practices

246. Purchased advertising is the largest single element of marketing that we consider in this study. We measure how much advertising each industry acquires by its purchases of the commodity "advertising." This includes advertising purchased from NAICS industry 5418, "Advertising, public relations, and related services," as well as advertising purchased from other industries such as print media, radio and TV, and the Internet. We work with the commodity version of purchased advertising because the commodity data include all advertising that each industry purchases regardless of its source.

247. We use the input-output (IO) tables to estimate industry purchases of advertising.[1] For the period 1997– 2020, we use the annual IO use tables developed by the Employment Projections program of the Bureau of Labor Statistics (BLS). For the period 1982–1996, we use the BEA Historical IO Tables, which offer less industry detail. We calculate the ratio of "advertising, public relations, and related services" to "miscellaneous professional, scientific, and technical services" in each industry in 1997 and use each industry-specific ratio to approximate advertising expenditures from 1982 to 1996. Finally, we use overall industry output and expert judgment to extrapolate advertising expenditures before 1982. These historical estimates are tentative and presented for discussion only.

248. Firms purchase non-advertising marketing services as well. Corrado and Hao (2014) include purchases from marketing consulting (NAICS 541613) and market research (NAICS 541961). We also include website design and hosting purchased from NAICS industries 5182 and 5415. Because we include marketing purchases from additional industries, our estimates of purchased marketing are generally larger than those in Corrado and Hao (2014). To the best of our knowledge, our study is the first work to include web design and hosting as marketing investment. For NAICS industries 5182, 5415, 5416, and 5419, we estimate the value of sold marketing services using product line data in the quinquennial Economic Census and then adjust for under- and mis-reporting. Between Economic Census years, we use the Services Annual Survey (SAS) to interpolate and extrapolate values. Just like with purchased advertising, we use the IO tables to estimate industry purchases of marketing.

249. Own-account marketing expenditures are generally measured based on the presence of advertising and marketing workers. However, these workers are excluded if they are employed by industries that sell advertising or marketing because their output is assumed to be already counted in purchased advertising or marketing. We do not distinguish between own-account advertising and marketing but instead define an overall own-account category that we call own-account marketing. Specific information on the occupations selected, their Standard Occupational Classification codes, and the formula to translate wages for advertising and marketing workers into total expenditures are presented in Appendix B of the published *Review of Income and Wealth* paper (Sveikauskas et al. 2024). That paper also contains more discussion of how the occupational codes were selected.

250. Own-account marketing expenditures are measured differently for industries that sell

advertising and marketing. In the United States, it is common for a portion of advertising slots to be used to promote a firm's own products rather than sold to outside entities. Television own-account advertising expenditures are measured using information purchased from Kantar Media (Soloveichik 2013). Other media own-account marketing expenditures are measured using industry sources and expert judgment (Nakamura, Samuels, and Soloveichik 2017). The ratio of own-account advertising slots to sold advertising slots does not change much—so national accountants can estimate this component once and then extrapolate the value forward.

251. The question of what percentage of marketing expenditures represents investment is a central issue for which there is little conclusive evidence. We therefore adopt the same investment ratios used in other studies. The U.K. Office of National Statistics (ONS) has been a leader in the analysis of intangibles. Heys and Fotopoulou (2022), of the ONS, assume that 60 percent of purchased advertising services, 80 percent of purchased marketing services, and 30 percent of own-account marketing represent investment. We adopt these percentages in our baseline measures. Our alternative measure follows Corrado, Hulten, and Sichel (2005; 2009) and Corrado and Hao (2014) and assumes that 60 percent of purchased advertising services, 95 percent of purchased marketing services, and 60 percent of own-account marketing represent investment. Calculations comparing our baseline results to our alternative results are shown in Sveikauskas et al. (2024).

252. To deflate advertising expenditures over the 1997–2020 period, we use the BEA price index for the gross output price of commodities in NAICS industry 5418 ("advertising, public relations, and related services"). This BEA price deflator incorporates Producer Price Indexes (PPIs) for internet publishers, newspapers, radio, and TV, and other industries that produce advertising and also reflects certain other costs. For years prior to 1997, we prepare a new commodity price index that also reflects PPIs and certain costs. Nakamura, Samuels, and Soloveichik (2017) suggest that each of these estimates of marketing should be priced at the price of overall advertising. They find that advertising viewership costs are more closely associated with each other than with measures of content creation. For this reason, we use the BEA advertising price index, instead of a cloud price deflator or other content creation costs, to price all marketing investment.

253. Based on Corrado and Hao (2014), Villalonga (2004), and Corrado, Hulten, and Sichel (2009), we select 45 percent as the central rate of annual depreciation for marketing investments. We tested 65 percent as an alternative depreciation rate. These rates imply service lives of four and two years, respectively. We use these same rates of depreciation for all forms of marketing. Once we have determined nominal expenditures, the deflator, the proportion of expenditures that is investment, and depreciation, we construct stocks of each asset through standard perpetual inventory calculations.

Conclusion

254. We find it feasible to develop a comprehensive treatment of marketing for the United States (Sveikauskas, 2024). It is possible to construct measures of purchased advertising, other purchases of marketing services, and own-account marketing. These measures rest on solid and highly detailed data. Overall, the results of our study strongly suggest that many statistical agencies will be able to capitalize marketing effectively.

255. This case study summarized a paper studying marketing investment as a whole. Later research explored splitting marketing investment between customer data collection and brand building (Soloveichik et al. 2024). This split is necessary because the updated guidelines for national accounting include data in the core GDP statistics but only track brand building in the extended GDP statistics (United Nations 2025, section 11.114-118, 11.176, and A4.56). Soloveichik at al's later research found that the proportion of marketing-associated data collection investment grew from around 20 percent of marketing investment in 2000 to 30 percent of marketing investment by 2020. Furthermore, the faster nominal growth for customer data collection is reinforced by slower price growth for data collection. In real terms, data collection has grown 5 percentage points per year more rapidly than brand building since 2000. Much more research is needed before customer data collection investment could be incorporated into the published GDP statistics.

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