

**Post-Hearing Questions for the Record
Submitted to Maj. Gen. Judd H. Lyons and Kathy Salas
From Senator Ron Johnson**

**“Waste and Abuse in National Guard Sponsorship and Marketing Contracts”
May 8, 2014**

- 1) How did you arrive at a media value of \$102 million? Please expand on what that number means.

Answer: Media Value is equal to the estimated value of aggregated brand exposure using cost of a paid ad of the same duration aired during the same type of programming (30 x 1-second exposures during a race = 1 x 30-second paid TV ad airing during the same race). This means the Army National Guard would have had to purchase \$102 million of paid TV airtime to have their brand aired as often as it did as a part of the ARNG’s NASCAR sponsorship during the 2013 NASCAR season.

- 2) How much money was spent per individual recruit in 2013?

Answer: A. Using the formula marketing dollars per recruit, the approximate amount spent per individual recruit in FY 2013 was approximately \$2,400.

Fiscal Year	FY13 Marketing Budget	FY13 Marketing Budget / FY13 Accessions	FY13 Marketing Dollar per recruit
2013	\$126,553,000	\$126,553,000 / 53,602	\$2,361

What about in the previous five years?

Answer:

FY	Cost Per Recruit
2009	\$2,600
2010	\$2,900
2011	\$2,300

2012	\$4,000
2013	\$2,400

Sources: Planning, Programming, Budgeting, and Execution (PPBE) Data Warehouse provided Army Marketing Program (VAMP) marketing budget execution numbers. NGB G1 Personnel Programs, Manpower & Resources division (HRM) provided historical accession mission. Cost rounded up or down to nearest \$100.

- 3) Please describe processes used to measure the effectiveness of recruiting programs, specifically the NASCAR partnership.

Answer: Depending on the program and to varying degrees, the ARNG uses different metrics to measure the effectiveness of a program for recruitment and retention. The two primary metrics the ARNG uses to analyze marketing Return on Investment (ROI) are "engagements" (individuals who interact with our brand) and "leads" (individuals who provide contact info). Other metrics are considered, as appropriate. For example, geographic market coverage, frequency of airings and equivalent paid media value are key metrics considered in evaluation of cable TV public service advertising.

Since the primary purpose of the NASCAR program is branding and gaining market share, the ARNG assesses the effectiveness through an analysis of the value of exposure and how much it would cost to gain that same exposure through paid media advertising.

Third-party media specialists evaluate every instance of exposure of the National Guard logo or verbal mentions during Sprint Cup race broadcasts, other news broadcasts, online media, print and out-of-home media, and they further evaluate No. 88/National Guard branded merchandise sales, television commercials, interviews by Dale Earnhardt Jr., billboards, flyers, and magazine articles featuring the image of the No. 88 National Guard car or Dale Jr. in the National Guard-branded uniform.

Return on Investment for the ARNG NASCAR program for 2013 using the above criteria was:

- \$102,426,577.81 in media value
- 11,058,856,926 impressions (Impressions – instances of brand exposure to members of an audience. One viewer typically receives multiple impressions)

- 4) Since the hearing, have any decisions been made on the NASCAR partnership? If not, when will a decision be made?

Answer: No decisions have yet been made regarding the continuation of the sponsorship deals with NASCAR and IRL. All Army National Guard marketing and advertising programs are undergoing a thorough and holistic review. Decisions about fiscal year 2015 marketing programs, including motorsports sponsorships, will be made after the review is complete.

- 5) Since the hearing, have you been able to come up with any additional measures of the effectiveness of the NASCAR partnership?

Answer: Consistent with the processes described in response to question #3, the ARNG continues to work within the deliverables of the existing contract. In addition, the ARNG is being more deliberate about tracking engagements and leads, rather than simply relying on impressions and media value as measures of effectiveness.