



November 2019

# ARMY MARKETING

The Army Has Taken  
Recent Actions That  
Could Improve  
Program Oversight,  
Effectiveness, and  
Workforce Practices

# GAO Highlights

Highlights of [GAO-20-93](#), a report to congressional committees

## Why GAO Did This Study

The Army requested nearly \$335 million for fiscal year 2020 to conduct marketing and advertising activities intended to increase awareness of Army service and ultimately generate leads for potential recruits.

In April 2018, AAA made recommendations in two reports to improve the contract oversight and return on investment of the Army's marketing and advertising program. Further, in May 2018 and October 2018, respectively, the Army and OPM made recommendations to improve the workforce practices and organizational structure of the program.

The John S. McCain National Defense Authorization Act for Fiscal Year 2019 included a provision for GAO to review the actions taken to implement AAA's recommendations and the effects of these actions on AMRG's leadership, workforce and business practices, and return on investment.

This report assesses the extent to which the Army has taken steps to address recommendations (1) from AAA to improve the contract oversight and measurement of the effectiveness of the Army's marketing and advertising program and (2) from the Army and OPM to improve the workforce practices and organizational structure of the marketing and advertising program.

GAO analyzed Army marketing and advertising data from fiscal year 2018; reviewed marketing and advertising plans and guidance; conducted focus groups with AMRG personnel; interviewed cognizant officials; and compared the Army's efforts to GAO-identified best practices.

The Army provided technical comments, which GAO incorporated as appropriate.

View [GAO-20-93](#). For more information, contact Elizabeth Field at (202) 512-2775 or [fielde1@gao.gov](mailto:fielde1@gao.gov).

November 2019

## ARMY MARKETING

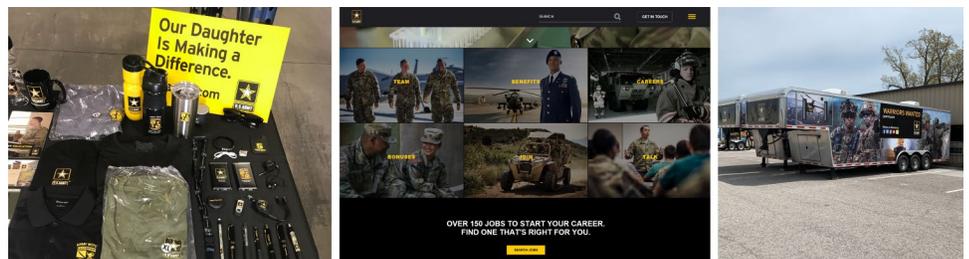
### The Army Has Taken Recent Actions That Could Improve Program Oversight, Effectiveness, and Workforce Practices

#### What GAO Found

The Army has recently taken steps to improve the oversight of its primary marketing and advertising contract and measurement of the effectiveness of its marketing and advertising program in response to two U.S. Army Audit Agency (AAA) reports. In April 2018, AAA found that the Army Marketing and Research Group (AMRG)—the component responsible for conducting the Army's national-level marketing and advertising program—did not fully evaluate the performance of its contracted advertising agency or track the effectiveness of its marketing and advertising efforts. GAO found that AMRG has taken or is taking actions to address AAA's recommendations:

- **Contract Oversight.** AMRG has developed processes for overseeing the advertising agency's performance and services. For example, AMRG developed a form program managers use to validate that proposed advertising services are not already provided through other contracts.
- **Program Effectiveness.** AMRG has taken steps in several areas related to revising its strategic marketing goals to support Army recruiting, updating how it assesses marketing and advertising effectiveness, and improving the reliability of data systems. AMRG's steps are consistent with commercial best practices that GAO identified for assessing the effectiveness of advertising, such as identifying outcomes from advertising.

#### Examples of Army Marketing and Advertising Activities, Including Promotional Items, Website, and Mobile Assets



Source: GAO. | GAO-20-93

The Army has also taken steps to improve the workforce practices and organizational structure of its marketing and advertising program in response to two workforce reviews. The two reviews—by an Army organization and the U.S. Office of Personnel Management (OPM)—found that AMRG, among other things, did not have regular communication throughout its workforce and with its stakeholders, and had a poor workforce climate. AMRG took initial steps to address the reviews' recommendations. The Army then established a new office effective August 2019—the Office of the Chief Army Enterprise Marketing—to replace AMRG and to assume all marketing and advertising activities. Some of the Army's early steps to establish the new office are consistent with key practices for agency reform efforts identified previously by GAO. For example, the Army outlined a three-phased plan with specific tasks and associated dates to fully establish the new office by early 2020 consistent with the key practice to establish implementation goals and a timeline.

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**Abbreviations**

AAA	U.S. Army Audit Agency
AEMO	Office of the Chief Army Enterprise Marketing
AMRG	Army Marketing and Research Group
ASA(ALT)	Assistant Secretary of the Army for Acquisitions, Logistics, and Technology
DOD	Department of Defense
EMM	Enterprise Marketing Management
NDAA	National Defense Authorization Act
OPM	U.S. Office of Personnel Management
USACC	U.S. Army Cadet Command
USAREC	U.S. Army Recruiting Command

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November 18, 2019

The Honorable James M. Inhofe  
Chairman  
The Honorable Jack Reed  
Ranking Member  
Committee on Armed Services  
United States Senate

The Honorable Adam Smith  
Chairman  
The Honorable Mac Thornberry  
Ranking Member  
Committee on Armed Services  
House of Representatives

Each year, the Army seeks to achieve its recruitment goals by targeting the small percentage of the U.S. population able to meet the education, physical fitness, and age requirements for entry into military service. The Army did not meet its recruitment goals in fiscal year 2018 and reported meeting them in fiscal year 2019. To help achieve these goals, the Army requested nearly \$335 million for fiscal year 2020—an increase of about 31 percent over the prior year—to conduct marketing and advertising activities. These activities include television and radio advertisements, internet and other digital marketing, and direct mail to potential recruits.<sup>1</sup>

Over the past few years, we and other organizations have identified challenges within the Army’s marketing and advertising program and recommended actions to improve the program’s operations. In May 2016, we found that, among other things, the military services, including the Army, did not fully measure the effectiveness of their advertising activities.<sup>2</sup> We recommended that the Department of Defense (DOD) ensure that the military services fully measure the performance of

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<sup>1</sup>According to Department of Defense (DOD) Instruction 1304.35, marketing is the systemic planning, implementation, and control of a mix of activities intended to facilitate joining a military service, and advertising is defined as a subset of marketing and is the paid or unpaid persuasive message to the public that promotes military service. DOD Instruction 1304.35, *Military Marketing* (Nov. 1, 2017).

<sup>2</sup>GAO, *DOD Advertising: Better Coordination, Performance Measurement, and Oversight Needed to Help Meet Recruitment Goals*, [GAO-16-396](#) (Washington, D.C.: May 12, 2016).

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advertising activities. DOD partially concurred with this recommendation.<sup>3</sup> DOD has taken steps to address this recommendation by issuing guidance requiring the military services to establish metrics, including measurable goals, by which the success of a service or component's overall marketing plan or events can be measured.<sup>4</sup>

Subsequent to our report, organizations within and outside of the Army have reviewed the Army's marketing and advertising program and made recommendations to improve its operations. In two reports issued in April 2018, the U.S. Army Audit Agency (AAA) found that the Army Marketing and Research Group (AMRG)<sup>5</sup>—the Army component that was responsible for conducting the Army's national-level marketing and advertising program—could improve its processes and procedures to demonstrate that its activities provided what AAA termed a positive “return on investment” and to increase management controls and oversight of its marketing and advertising contracts.<sup>6</sup> AAA made seven recommendations in each of the two reports, and the Army concurred with all 14 recommendations.

In addition, in May 2018, the Office of the Assistant Secretary of the Army for Acquisitions, Logistics, and Technology (ASA(ALT)) identified several high-risk issues that contributed to organizational inefficiencies within AMRG and made recommendations to improve performance transparency, mission-to-function alignment, and program accountability.<sup>7</sup>

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<sup>3</sup>DOD agreed with this recommendation in broad terms and stated that the military services should include measurable goals in their advertising plans and have access to necessary performance data to measure effectiveness.

<sup>4</sup>DOD Instruction 1304.35.

<sup>5</sup>As described later in this report, effective August 1, 2019, the Army redesignated AMRG as the Office of the Chief Army Enterprise Marketing (AEMO). Because we conducted most of this work prior to August 2019, we primarily refer throughout this report to AMRG. This includes attributing information to officials as being from AMRG even after they had been transferred to the Office of the Assistant Secretary of the Army for Manpower and Reserve Affairs.

<sup>6</sup>AAA, *The Army's Marketing and Advertising Program: Return on Investment*, Audit Report A-2018-0036-MTH (Fort Belvoir, Va.: Apr. 13, 2018) and *The Army's Marketing and Advertising Program: Contract Oversight*, Audit Report A-2018-0033-MTH (Fort Belvoir, Va.: Apr. 13, 2018).

<sup>7</sup>Office of the Deputy Assistant Secretary of the Army for Plans, Programs, and Resources, Assistant Secretary of the Army for Acquisitions, Logistics, and Technology, *Army Marketing and Research Group: Business and Process Improvements Initiative* (May 2018).

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Further, in accordance with section 599 of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (hereafter NDAA for Fiscal Year 2019), the Army reported that AMRG requested support from the U.S. Office of Personnel Management (OPM) in reviewing AMRG's organization.<sup>8</sup> In October 2018, OPM issued a study identifying organizational design issues contributing to challenges with AMRG's reputation, trustworthiness, work environment, and organizational performance, and identified actions that AMRG could take to improve its workforce practices.<sup>9</sup>

Section 599 of the NDAA for Fiscal Year 2019 included a provision that we conduct a review of the actions taken to implement AAA's recommendations and of the effects of these actions on AMRG leadership, workforce and business practices, and return on investment.<sup>10</sup>

In this report, we assess the Army's response to recommendations from AAA, ASA(ALT), and OPM. Specifically, we assess the extent to which the Army has taken steps to: (1) improve contract oversight within its marketing and advertising program; (2) improve how AMRG measures the effectiveness of its marketing and advertising program; and (3) improve the workforce practices and organizational structure of the marketing and advertising program. In appendix II, we provide a consolidated summary of the 14 recommendations from the AAA reports on contract oversight and return on investment, the actions that AMRG has taken to address them, and the status of their implementation, according to AAA, as of September 2019.

For the first objective, we reviewed documentation and interviewed AMRG, AAA, and U.S. Army Mission Installation and Contracting

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<sup>8</sup>Section 599 of the NDAA for Fiscal Year 2019 required AMRG, in consultation with OPM, to assess AMRG's organizational structure, staffing, and training, including an assessment of the workplace climate and culture internal to AMRG. Pub. L. No. 115-232, § 599 (2018).

<sup>9</sup>OPM, *Report of Findings and Recommendations: Organizational Design Study* (October 2018).

<sup>10</sup>Pub. L. No. 115-232, § 599 (2018). Section 599 of the NDAA for Fiscal Year 2019 also required the Army to submit a report to Congress that addressed several elements, such as the mitigation and oversight measures implemented to assure improved program return and contract management and the establishment of a review process to regularly evaluate the effectiveness and efficiency of marketing efforts. The Army submitted the required report on February 5, 2019. In appendix I, we identify the required elements and actions the Army has reported taking in response.

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Command officials on AMRG's actions to address deficiencies identified in the AAA report on contract oversight. We analyzed the number of task orders issued and amounts obligated from fiscal year 2011 through 2018 on AMRG's primary marketing and advertising contract.<sup>11</sup> We obtained this data from the Federal Procurement Data System-Next Generation, which is a primary source of federal procurement data. We chose data starting in fiscal year 2011 because the Army awarded the previous contract in March 2011 and ending at the end of fiscal year 2018 because it was the last complete fiscal year of data at the time of our review. To assess the reliability of the Federal Procurement Data System-Next Generation data that we used, we reviewed the data dictionary, data validation rules, data outputs, and other documentation. Based on these steps, we determined that the data were sufficiently reliable for the purposes of identifying the number of task orders issued and amounts obligated on AMRG's primary marketing and advertising contract.

For the second objective, we reviewed documentation on the Army's process for developing its annual marketing plan, goals, and performance measures, and we conducted interviews with officials at organizations with responsibilities for implementing the Army's marketing and advertising program, including AMRG; the U.S. Army Training and Doctrine Command (TRADOC); Office of the Chief, Army Reserve; and Army National Guard. We also conducted a site visit to Fort Knox, Kentucky, to meet with officials from U.S. Army Recruiting Command (USAREC), U.S. Army Cadet Command (USACC), and the U.S. Army Marketing and Engagement Brigade to discuss their efforts to measure the effectiveness of their marketing and advertising activities and to observe Army marketing and advertising facilities and assets. We compared this information with the three categories of commercial best practices for assessing the effectiveness of advertising identified in our prior work.<sup>12</sup>

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<sup>11</sup>An obligation is a definite commitment that creates a legal liability of the government for the payment of goods and services ordered or received, or a legal duty on the part of the United States that could mature into a legal liability by virtue of actions on the part of the other party beyond the control of the United States.

<sup>12</sup>[GAO-16-396](#). For the 2016 report, we asked a nongeneralizable sample of advertising experts and professional associations to identify best practices for assessing the effectiveness of advertising. We compiled and condensed the identified best practices into a list that we then validated with those same industry experts. That list included three categories of commercial best practices for assessing the effectiveness of advertising: (1) organizational structure, (2) planning, and (3) measurement.

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In addition, we analyzed data from the Enterprise Marketing Management (EMM) system—the Army’s marketing system of record—on key performance indicators for measuring the effectiveness of the Army’s marketing and advertising activities conducted in fiscal year 2018—the last complete fiscal year of data at the time of our review. To assess the reliability of the EMM data, we met with AMRG officials to discuss the processes for entering, maintaining, and reviewing the quality of the data, and we conducted electronic testing to identify inconsistencies and outliers. Based on these steps, we determined that the data from fiscal year 2018 were not sufficiently reliable for the purposes of identifying key performance indicators associated with the Army’s marketing and advertising activities. Later in this report, we describe the actions the Army is taking to address limitations in the reliability of the EMM data.

For the third objective, we reviewed Army general orders, directives, and other related guidance and documentation on changes to the organizational structure of the Army’s marketing and advertising program. In addition, we reviewed the recommendations from two reviews—one conducted by ASA(ALT) on AMRG’s business processes and the other conducted by OPM on AMRG’s organizational design. We requested information and documentation of the Army’s steps to reorganize the workforce and organizational structure of the marketing and advertising program and compared this information to applicable key practices for agency reform efforts we identified in our prior work.<sup>13</sup> Because of the timing of the reorganization of the Army’s marketing and advertising program during our review—which we describe later in this report, we did not assess the Army’s steps against all of the key practices.

We also conducted three focus groups in May and June 2019 with non-supervisory personnel from AMRG to gain their perspectives on leadership and workforce changes. We conducted two of these focus groups at AMRG Headquarters in Arlington, Virginia, and randomly selected participants from non-supervisory personnel who had been at AMRG since September 2017. We chose this date because the personnel would be able to comment on changes in the leadership and

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<sup>13</sup>GAO, *Government Reorganization: Key Questions to Assess Agency Reform Efforts*, [GAO-18-427](#) (Washington, D.C.: June 13, 2018). To identify these key practices, we reviewed our prior work and leading practices on organizational transformations; collaboration; government streamlining and efficiency; fragmentation, overlap, and duplication; high-risk; and other agency longstanding management challenges. In addition, we interviewed subject-matter specialists knowledgeable about issues related to government reform and strategic human capital management.

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workforce practices since officials reported receiving a draft of the AAA reports, as well as changes in AMRG leadership that occurred in November 2017. We conducted the other focus group at an AMRG office in Fort Knox, Kentucky, with non-supervisory personnel who had been at AMRG since September 2017. In addition, we interviewed five supervisory personnel who had been at AMRG since September 2017. We met with non-supervisors separately from supervisors to encourage candid discussions about the Army's marketing and advertising program. We completed written summaries of each focus group and interview, and then multiple GAO analysts independently coded the responses to identify themes across the focus groups and interviews and worked to ensure agreement on the themes.

We conducted this performance audit from December 2018 to November 2019 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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## Background

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### Roles and Responsibilities in the Army's Marketing and Advertising Program

The Secretary of the Army has the responsibility to recruit personnel, subject to the authority, direction, and control of the Secretary of Defense.<sup>14</sup> The Assistant Secretary of the Army for Manpower and Reserve Affairs serves as the principal advisor to the Secretary for the Army's management of its manpower and personnel and provides overall governance for marketing, advertising, and research.<sup>15</sup> The Deputy Chief of Staff of the Army, G-1, is the principal military advisor to the Assistant Secretary of the Army for Manpower and Reserve Affairs and the Chief of Staff of the Army for all matters related to manpower across the Army. As of August 2019, the Deputy Chief of Staff of the Army, G-1, has responsibility for overseeing the new Office of the Chief Army Enterprise Marketing (AEMO) once it is fully established, as described later in this report.

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<sup>14</sup>10 U.S.C. § 7013.

<sup>15</sup>10 U.S.C. § 7016.

In addition, multiple other Army organizations from across the accessions enterprise—the collection of Army organizations involved in efforts to recruit and train soldiers for the Army—have roles and responsibilities in carrying out the Army’s marketing and advertising program, as summarized in table 1.

**Table 1: Army Organizations with Roles and Responsibilities in the Army’s Marketing and Advertising Program**

Army Organization	Roles and Responsibilities
<b>Army Marketing and Research Group (AMRG), recently redesignated as the Office of the Chief Army Enterprise Marketing<sup>a</sup></b>	<ul style="list-style-type: none"> <li>• Plan and execute the Army’s national marketing strategy</li> <li>• Oversee the Army’s primary marketing and advertising contract</li> <li>• Provide guidance and oversight for the Army’s local marketing and advertising activities</li> <li>• Conduct marketing and accessions research</li> </ul>
<b>U.S. Army Training and Doctrine Command (TRADOC)</b>	<ul style="list-style-type: none"> <li>• Exercise responsibility for the Army’s accessions mission and recruit and train soldiers</li> <li>• Provide guidance and resources specific to supporting the accessions mission and generating leads</li> <li>• Develop current market insights and local market innovations</li> </ul>
<b>U.S. Army Recruiting Command (USAREC)<sup>b</sup></b>	<ul style="list-style-type: none"> <li>• Recruit Active Duty and Army Reserve soldiers and some officer candidates</li> <li>• Conduct local marketing and advertising activities in support of its recruiting goals</li> </ul>
<b>U.S. Army Cadet Command (USACC)<sup>b</sup></b>	<ul style="list-style-type: none"> <li>• Administer the Army Reserve Officers’ Training Corps program and, through that program, recruit Army officer candidates</li> <li>• Conduct local marketing and advertising activities in support of its recruiting goals</li> </ul>
<b>Office of the Chief, Army Reserve</b>	<ul style="list-style-type: none"> <li>• Collaborate with AMRG on national marketing and advertising for the Army Reserve</li> <li>• Provide guidance to USAREC and USACC on local marketing and advertising activities</li> </ul>
<b>Army National Guard</b>	<ul style="list-style-type: none"> <li>• Support state-level marketing and advertising activities</li> </ul>

Source: GAO analysis of Department of the Army information. | GAO-20-93

Note: Information is generally from Army General Order 2019-18, *Redesignation, Reassignment, and Relocation of the U.S. Army Marketing and Research Group as the Office of the Chief Army Enterprise Marketing, A Field Operating Agency of the Deputy Chief of Staff, G-1* (May 30, 2019); Army Directive 2018-17, *Army Accessions Way Ahead* (Oct. 1, 2018); Army Directive 2019-25, *Establishment of the Office of the Chief Army Enterprise Marketing* (Aug. 1, 2019); Army Regulation 601-208, *The Army Brand and Marketing Program* (July 16, 2013); U.S. Army Training and Doctrine Command Regulation 10-5, *U.S. Army Training and Doctrine Command* (Apr. 21, 2017); National Guard Regulation 601-1, *Army National Guard Strength Maintenance Program* (Jan. 1, 2019).

<sup>a</sup>Effective August 2019, the Secretary of the Army redesignated AMRG as the Office of the Chief Army Enterprise Marketing and reassigned the office to the Deputy Chief of Staff of the Army, G-1.

<sup>b</sup>USAREC and USACC are subordinate commands of TRADOC.

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The Army contracts with a primary advertising agency to develop and implement its marketing and advertising program. The advertising agency is responsible for providing a range of services from the development of the Army's marketing and advertising strategy to the production of marketing and advertising activities, including television and print advertisements, event marketing, and social media. In November 2018, the Army awarded a contract to a new advertising agency for up to 10 years with a value not to exceed \$4 billion.<sup>16</sup> The contract with the previous advertising agency was awarded in March 2011, and from March 2011 through the end of fiscal year 2018, the Army issued 702 task orders and obligated about \$1.6 billion on this contract, according to our analysis of data from the Federal Procurement Data System-Next Generation.

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## Types of Marketing and Advertising Activities

The Army conducts a variety of marketing and advertising activities at the national and local levels in support of the Army's recruiting goals.<sup>17</sup> Figure 1 shows examples of the various types of Army marketing and advertising activities, such as mobile assets used at recruiting events and digital advertising on social media.

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<sup>16</sup>The Army issued the original solicitation in January 2017 and awarded the contract in November 2018. Five proposals were received. The contract award was delayed by multiple bid protests during the procurement process.

<sup>17</sup>The Army distinguishes between national marketing and advertising activities and local marketing and advertising activities. Until recently, AMRG was responsible for national marketing and advertising activities, such as the production of broad-reach television commercials that are coordinated by the Army's primary advertising agency. AEMO will carry out these responsibilities going forward, as described later in this report. USAREC, USACC, and the various state Army National Guard units conduct local marketing and advertising activities, such as purchasing advertisements in local media outlets.

**Figure 1: Examples of Army Marketing and Advertising**



Source: GAO. | GAO-20-93

Note: Left image: posting on social media; middle-top image: mobile trailer; middle-bottom: GoArmy.com website; right image: mobile trailer with video-game consoles.

Different marketing and advertising activities are useful for supporting the three phases—awareness, engagement, and activation—of an individual’s decision-making process, sometimes referred to as the consumer journey. The goal of marketing and advertising is to move a potential recruit through each of the three phases and, ultimately, to the decision to enlist:

- **Awareness:** Individuals learn about the opportunity to serve in the Army and the distinct characteristics of serving in the Army. The Army pursues awareness through marketing and advertising activities such as television commercials, print advertisements, banners at events, and billboards.
- **Engagement:** Individuals who are aware of the opportunities for service in the Army begin considering the possibility of joining the Army. During this phase, the Army seeks to provide recruits with additional information to aid in their decision-making process. Often this phase of advertising takes place in the digital environment, as the Army seeks to provide informative social media posts and use banner advertisements to attract individuals to visit its website for more information.
- **Activation:** Individuals have considered the Army and are ready to talk to a recruiter about enlistment. As such, activation activities seek to encourage these individuals to provide their contact information to schedule an opportunity to meet with a recruiter. Activation is often

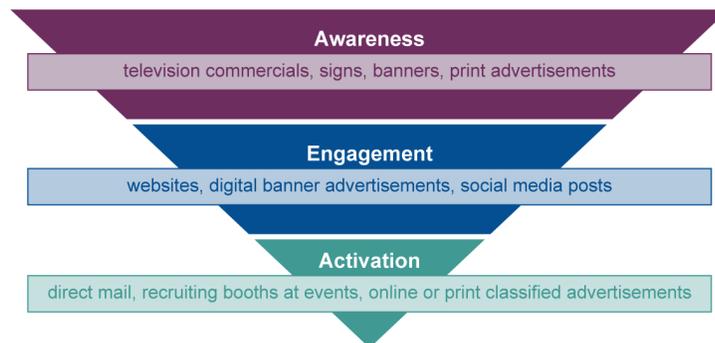
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conducted in person, such as through recruiters' presence at events like career fairs. Activation may also be conducted through other means—such as direct mail and online or print classified advertisements—as long as the advertisement prompts viewers to provide their contact information. Further, the Army employs the use of mobile assets, such as large trucks and trailers fitted with equipment and activities intended to draw crowds and encourage and facilitate public interaction with a recruiter at an event to generate leads.

Figure 2 shows the awareness, engagement, and activation phases and examples of marketing and advertising activities that are used in support of each phase.

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**Figure 2: Army Marketing and Advertising Phases and Activities in Support of Recruitment Goals**



Source: GAO analysis of Army information. | GAO-20-93

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## The Army Has Taken Steps to Develop Processes to Improve Its Oversight of Its Primary Marketing and Advertising Contract

To implement AAA's recommendations, the Army has developed processes designed to improve its oversight of the primary contract for executing the Army's marketing and advertising program. In April 2018, AAA reported that AMRG did not sufficiently evaluate the performance of its primary contractor, effectively oversee deliverables included in its three main marketing and advertising contracts, or effectively oversee the negotiation process of task orders for its primary marketing and advertising contract.<sup>18</sup> AAA made seven recommendations to AMRG to improve its contract oversight, with which AMRG agreed. As shown in table 2, as of September 2019, AAA considered three of the recommendations implemented but not closed, with AMRG still taking steps to address the other four recommendations; as a result, it is too soon to assess the extent to which the Army's steps have improved contract oversight within the marketing and advertising program.<sup>19</sup> AMRG officials stated that the implementation of these recommendations has been slowed, in part, because of the recent award of its primary marketing and advertising contract to the new advertising agency.

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<sup>18</sup>At the time of AAA's review, AAA reported that AMRG had three main marketing and advertising contracts in place: (1) a primary contract for conducting the Army's marketing and advertising program; (2) a contract for marketing and event planning support services; and (3) a contract for creative technology support. In its report, AAA mainly discussed the primary contract for conducting the Army's marketing and advertising program.

<sup>19</sup>AAA officials stated that they consider a recommendation as implemented but not closed when AAA determines that sufficient actions have been taken by the audited agency, but AAA has not verified that the recommendation's desired results have been achieved. Once AAA has verified that the actions have resulted in the desired results, AAA will classify a recommendation as closed. AAA officials stated that they may conduct a follow-up audit in fiscal year 2020 to determine if AMRG's actions are sufficient to close the recommendations. Appendix II identifies all seven recommendations from AAA's report on contract oversight, the actions AMRG has taken to implement them, and the status of their implementation, according to AAA, as of September 2019.

**Table 2: Status of the Army’s Implementation of U.S. Army Audit Agency (AAA) Recommendations to Improve Contract Oversight within the Marketing and Advertising Program**

Summary of AAA recommendation	Status of implementation reported by AAA, as of September 2019 <sup>a</sup>
Require that all program managers receive the proper contracting officer’s representative training and provide appointment letters for each one. Ensure quality assurance surveillance plans are tailored to the task order’s circumstances and there is an individual quality assurance surveillance plan for all task orders over \$150,000.	Not implemented
Update the award fee plan and award fee review process to include soliciting feedback from program managers, maintaining supporting documentation, and obtaining objective performance data.	Not implemented
Develop and implement internal procedures to ensure contracts or task orders do not contain deliverables already provided for in existing firm-fixed-price contracts or task orders.	Not implemented
Use the creative technology support contract for all of the creative technical services within the scope of its performance work statement.	Not implemented
Use appropriate contract remedies to enforce contract provisions requiring contractors to enter information into the Contractor Manpower Reporting Application system.	Implemented but not closed
Define and implement a well-structured policy for conducting technical evaluations, to include labor hours, of cost proposals that presents information in a concise and meaningful manner.	Implemented but not closed
Establish a standardized form to ensure consistency during the evaluation process.	Implemented but not closed

Source: AAA. | GAO-20-93

Note: In April 2018, AAA issued its report on contract oversight within the Army’s marketing and advertising program. AAA, *The Army’s Marketing and Advertising Program: Contract Oversight*, Audit Report A-2018-0033-MTH (Fort Belvoir, Va.: Apr. 13, 2018).

<sup>a</sup>AAA officials stated that they consider a recommendation as implemented but not closed when AAA determines that sufficient actions have been taken by the audited agency, but AAA has not verified that the recommendation’s desired results have been achieved. Once AAA has verified that the actions have resulted in the desired results, AAA will classify a recommendation as closed. AAA officials stated that they may conduct a follow-up audit in fiscal year 2020 to determine if AMRG’s actions are sufficient to close the recommendations.

Among AMRG’s actions to improve its contract oversight are steps to develop processes for overseeing contractor performance, deliverables, and price negotiations. Specifically, AMRG has taken steps in the following areas:

**Created a new project management office.** AMRG established a project management office to help address the challenges identified by AAA and to serve as a coordinating body that centralizes contract oversight. According to its charter, the office is responsible for maintaining cost, schedule, and performance for Army marketing and advertising programs to help ensure that they are completed on time and within reasonable costs to support the accessions mission.

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Documents outlining the contract management process indicate that the project management office reviews key contract documents, such as the statement of objectives and the quality assurance surveillance plan, before the documents are submitted to the contracting officer who is responsible for administering the contract. After the contractor submits its proposal for providing the requested product or service, the project management office reviews the proposal to ensure it meets the requirements of the statement of objectives. Also, the project management office coordinates and submits the technical evaluation form for review by the contracting officer's representative and the contracting officer.

Within the newly-formed AEMO, there will be a project management office with six authorized personnel, according to the organizational chart for AEMO. In July 2019, AMRG officials stated that they were developing standing operating procedures and continuity plans that AEMO could use as it establishes its project management office.

**Implementing training and tools to evaluate contractor performance.** AAA found that AMRG did not sufficiently evaluate the performance of its primary contractor and recommended that AMRG require that all program managers receive contracting officer's representative training and ensure that individual quality assurance surveillance plans are developed for each task order over \$150,000.<sup>20</sup> As of September 2019, AAA reported that this recommendation had not been fully implemented. In response to AAA's recommendations, in April 2019, AMRG reported that all program managers had completed contracting officer's representative training.<sup>21</sup> Further, as of September 2019, AMRG reported that the Army had developed individual quality assurance surveillance plans for each task order issued in fiscal year 2019. According to AAA officials, AMRG provided them with examples of these quality assurance surveillance plans, and AAA provided AMRG with feedback on additional information

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<sup>20</sup>A quality assurance surveillance plan is required for all service contracts that exceed the simplified acquisition threshold of \$150,000.

<sup>21</sup>In September 2019, we found that DOD did not implement an initiative to identify non-acquisition personnel contributing to services acquisition more generally and did not comprehensively identify non-acquisition personnel's need for acquisition-related training. We recommended, and DOD concurred, that DOD designate an official responsible for identifying non-acquisition personnel contributing to services acquisitions and ensure components provide comprehensive information about non-acquisition personnel training needs. GAO, *Defense Workforce: Steps Needed to Identify Acquisition Training Needs for Non-Acquisition Personnel*, [GAO-19-556](#) (Washington, D.C.: Sept. 5, 2019).

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that should be included, which AMRG officials stated they were taking actions to address.

In September 2019, AMRG also issued standing operating procedures for program managers to provide internal policy and instruction for executing the Army's marketing and advertising program as well as evaluating its performance, including overseeing contractor performance. We found that the standing operating procedures require contracting officer's representative training for program managers and that the Director of Marketing, Director of Research, and AMRG contracts team are to monitor compliance quarterly. In addition, the procedures include steps outlining contract oversight mechanisms, such as information on the purpose and contents of quality assurance surveillance plans.

**Implementing a standardized technical evaluation form.** AAA found that AMRG had not effectively negotiated prices for its primary marketing and advertising contract; AAA recommended that AMRG (1) define and implement a well-structured policy for conducting technical evaluations of contractor proposals and (2) establish a standardized form to ensure consistency during the evaluation process.<sup>22</sup> As of September 2019, AAA reported that these two recommendations were implemented but not closed. The standing operating procedures that we reviewed outline the process for program managers to complete a standardized form for evaluating contractor proposals. The form is intended to ensure that program managers are consistently evaluating contractor proposals for performing work under the contract. For example, the form requires program managers to conduct a comparative price analysis by comparing the contractor's proposed price to total task order cost in prior years. According to the instructions on the form, program managers are to submit the completed form to their supervisor or director for approval. The project management office then coordinates and submits the technical

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<sup>22</sup>AAA also found that the contractor had not reported labor hours and costs for each task order in the Contractor Manpower Reporting Application and recommended that AMRG enforce contract provisions requiring the contractor to enter such information into the system. As of September 2019, AAA reported that this recommendation was implemented but not closed. AMRG reported to AAA that the contractor had inputted the required data prior to the issuance of AAA's report. In addition, as of April 2019, AMRG officials told us that the contracting officer's representative verified that the contractor had inputted the required information for fiscal year 2017 and was in the process of validating the information for fiscal year 2018. AMRG also reported to us that the contracting officer will monitor compliance annually going forward.

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evaluation to the contracting officer's representative and contracting officer for review.

**Overseeing contract deliverables.** AAA found that AMRG did not effectively oversee deliverables in its marketing and advertising contracts and recommended that AMRG develop procedures to ensure that contracts or task orders do not contain deliverables already provided in other contracts.<sup>23</sup> As of September 2019, AAA reported that this recommendation had not been fully implemented. AMRG and U.S. Army Mission Installation and Contracting Command officials have implemented processes to prevent duplicative deliverables (i.e., services or products to be provided through a contract) in the future, such as the standardized technical evaluation form noted above. We found that the standardized technical evaluation form requires program managers to certify that they have reviewed other tasks and contracts within their purview and to validate that the task order being requested does not duplicate existing or other requested work. In addition, AMRG and U.S. Army Mission Installation and Contracting Command officials stated that they consolidated all contract actions under one team at the U.S. Army Mission Installation and Contracting Command and that both AMRG's contracting officer's representative and budget office must verify that contract requests are not duplicative.

AAA also found overlapping deliverables between AMRG's primary marketing and advertising contract and a contract for creative technology support and recommended that AMRG use the creative technology support contract for all of the creative technical services within its scope. As of September 2019, AAA reported that this recommendation had not been fully implemented. AMRG officials told us that they plan to issue a modification to the contract for creative technology support to remove services duplicated in the primary marketing and advertising contract. As of September 2019, an AMRG official told us that the Army expected to issue the modification in November 2019.

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<sup>23</sup>AAA also reported that AMRG used a contract for marketing and event support services to help plan and execute marketing events. However, AAA found that these services were already provided under the primary contract for conducting the Army's marketing and advertising program. In a separate, time-sensitive report, AAA recommended that AMRG not renew the support services contract or issue an additional task order under the primary contract. AAA reported that AMRG did not renew the support services contract. AAA, *Time-Sensitive Report: Audit of the Army's Marketing and Advertising Program – Support Services Contract*, A-2016-MTH-0171.001 (Fort Belvoir, Va.: Aug. 18, 2017).

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**Revising process for contract award fees.** AAA found that AMRG had minimal support to justify its higher award fee ratings for its primary contractor and recommended that AMRG update its award fee plan and award fee review process to include soliciting feedback from program managers, maintaining supporting documentation, and obtaining objective performance data, among other things.<sup>24</sup> As of September 2019, AAA reported that this recommendation had not been fully implemented. We found that AMRG revised its process in fiscal year 2018 for determining award fee incentives for its advertising agency. For example, according to the documentation associated with the award fee decision for the agency's performance from April 2017 through April 2018, AMRG reported that it, among other things, included feedback from program managers on the advertising agency's performance and obtained objective performance data from an independent entity, DOD's Joint Advertising, Market Research & Studies.<sup>25</sup>

In future work with the new advertising agency, AMRG officials stated that the Army plans to offer award fees for specific task orders rather than one fee for performance in a given year. According to AMRG officials, this change allows greater flexibility in deciding which programs should be incentivized with an award fee. As of September 2019, AMRG officials stated that they had not issued any task orders with an award fee under the new marketing and advertising contract.

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<sup>24</sup>Award fee contracts typically involve fees paid based on contractor performance in areas that are more subjectively evaluated. Government officials, through an award fee evaluation board, conduct periodic evaluations of the contractor's performance against specified criteria and make recommendations on the amount of fee to be paid. Criteria are specified in an award fee plan. Following the award fee evaluation, a fee-determining official makes the final decision about the amount of fee paid to the contractor.

<sup>25</sup>Joint Advertising, Market Research & Studies is an official DOD program responsible for joint marketing communications and market research and studies. This program is to conduct research about the perceptions, beliefs, and attitudes of American youth as they relate to joining the military.

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## The Army Has Taken Steps to Improve Its Approach for Measuring the Effectiveness of Its Marketing and Advertising Program

To implement AAA's recommendations, the Army has taken steps to improve how it measures the effectiveness of its marketing and advertising program; these steps are consistent with commercial best practices for assessing the effectiveness of advertising identified in our prior work. In its 2018 report on return on investment, AAA found that AMRG had deficiencies in how it measured the effectiveness of its marketing and advertising efforts and made seven recommendations to AMRG, with which AMRG agreed. Of these recommendations, AAA considered four implemented but not closed as of September 2019, with AMRG still taking steps to address the other three recommendations, as shown in table 3.<sup>26</sup> Since the Army's steps were recently implemented or are ongoing, it is too early to determine if they will achieve their desired results.

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<sup>26</sup>Appendix II contains all seven recommendations, the Army's steps to address the recommendations, and the status of their implementation, according to AAA, as of September 2019.

**Table 3: Status of the Army’s Implementation of U.S. Army Audit Agency (AAA) Recommendations to Improve the Return on Investment of the Marketing and Advertising Program**

Summary of AAA recommendation	Status of implementation reported by AAA as of September 2019 <sup>a</sup>
Develop specific goals to measure the long-term effects of investments in marketing efforts to support the Army’s accessions missions.	Implemented but not closed
Revise the Army’s marketing performance framework so that it integrates and leverages marketing and advertising efforts at both national and local levels.	Implemented but not closed
Establish and formally document a periodic process with roles and responsibilities to assess the effectiveness and efficiency of all Army marketing and advertising efforts.	Implemented but not closed
Assess the cost-effectiveness of current marketing and advertising efforts and discontinue efforts that are not cost-effective in comparison to other options.	Implemented but not closed
Establish and formally document a process with roles and responsibilities to ensure that all Army marketing and advertising performance and cost data is completely and accurately recorded in an official marketing system of record on a regular basis.	Not implemented
Request update to Army Regulation 601-208 to institutionalize new and revised goals and processes.	Not implemented
Develop a resource requirements projection model that links to and supports planned marketing efforts.	Not implemented

Source: AAA. | GAO-20-93

Note: In April 2018, AAA issued its report on the return on investment of the Army’s marketing and advertising program. AAA, *The Army’s Marketing and Advertising Program: Return on Investment*, Audit Report A-2018-0036-MTH (Fort Belvoir, Va.: Apr. 13, 2018).

<sup>a</sup>AAA officials stated that they consider a recommendation as implemented but not closed when AAA determines that sufficient actions have been taken by the audited agency, but AAA has not verified that the recommendation’s desired results have been achieved. Once AAA has verified that the actions have resulted in the desired results, AAA will classify a recommendation as closed. AAA officials stated that they may conduct a follow-up audit in fiscal year 2020 to determine if AMRG’s actions are sufficient to close the recommendations.

Based on our analysis of the Army’s actions, the Army’s steps to implement AAA’s recommendations fall into the following five areas: (1) revising strategic goals, (2) updating and documenting its assessment process, (3) improving the reliability and capabilities of data systems, (4) integrating national and local marketing and advertising efforts, and (5) obtaining new tools to determine required marketing and advertising resources. The steps the Army has taken in these areas thus far are consistent with commercial best practices for assessing the effectiveness of advertising we identified in our prior work.<sup>27</sup> As the Army takes additional steps to establish the newly-formed AEMO, it will be important

<sup>27</sup>GAO-16-396. In our prior work, we identified three categories of commercial best practices for assessing the effectiveness of advertising: (1) organizational structure, (2) planning, and (3) measurement.

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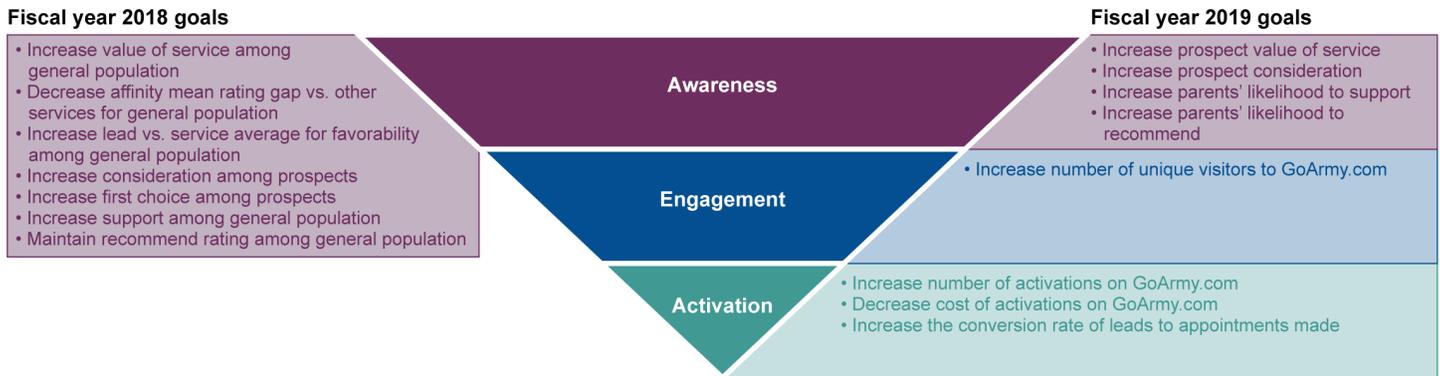
for the Army to continue to align its efforts with these commercial best practices for assessing the effectiveness of advertising to ensure advertising dollars are used efficiently to help meet stated recruiting goals.

**Revising strategic goals.** AAA found that AMRG did not have specific goals to measure the long-term effects of investments in marketing and advertising efforts to support the Army's accessions mission and recommended that AMRG develop such goals. As of September 2019, AAA reported that this recommendation was implemented but not closed. AMRG has revised its strategic marketing goals from tracking changes in individuals' attitudes toward the Army, such as support for the Army among the general population, to tracking the behaviors of these individuals, such as the number of visits to GoArmy.com. For fiscal year 2018, AMRG had seven strategic marketing goals that tracked the attitudes of the general population and prospects toward the Army. For fiscal year 2019, AMRG revised the goals to four that track attitudes, two that track behaviors, one that tracks effectiveness, and one that tracks efficiency.<sup>28</sup> Goals that track attitudes are aligned with the awareness phase of the consumer journey, whereas goals that track behaviors are more aligned with the engagement and activation phases. Figure 3 shows how the fiscal year 2018 and 2019 strategic marketing goals align with the three phases of the consumer journey.

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<sup>28</sup>AMRG's effectiveness goal was to increase the conversion rate of leads worked to appointments made, and its efficiency goal was to decrease the cost of activations on GoArmy.com. An AMRG official told us that the Army will still have measures of efficiency and effectiveness for fiscal year 2020.

**Figure 3: Comparison of the Fiscal Year 2018 and Fiscal Year 2019 Army Marketing Goals to Marketing and Advertising Phases**



Source: GAO analysis of Army information. | GAO-20-93

Looking ahead, AMRG officials told us that, consistent with feedback they received from marketing industry experts, the strategic goals in the fiscal year 2020 marketing plan will all be behavioral and will target the different stages of what AMRG refers to as a lead nurturing funnel.<sup>29</sup> AMRG officials stated that their goal is to use information so they can quickly shift attention and funding to different stages of the funnel that are not meeting their goals, so as to ensure that those stages get the attention needed to reach mission success. AMRG's recent and ongoing steps to revise its marketing goals are consistent with the commercial best practice to develop an evaluation framework that identifies the target audience and includes measurable goals.

To institutionalize AMRG's updated processes, AAA recommended that AMRG update Army Regulation 601-208 to reflect the new goals and processes it would implement to improve its program effectiveness.<sup>30</sup> As of September 2019, AAA reported that this recommendation had not been fully implemented. The Army is in the process of revising its marketing and advertising regulation to reflect the updated strategic marketing goals and process. AMRG had drafted a revision to the regulation; however, AMRG officials had put this process on hold while senior Army leaders were making the decision about AMRG's placement within the Army. Now that AMRG has been redesignated as AEMO and reassigned within the

<sup>29</sup>The lead nurturing funnel has multiple stages that track the progression from the number of qualified individuals to the number of individuals who join the Army. The stages include generating awareness, obtaining contact information, and meeting with potential recruits.

<sup>30</sup>Army Regulation 601-208, *The Army Brand and Marketing Program* (July 16, 2013).

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Army, as of August 2019 AMRG officials stated that the Army was revising the regulation to reflect the new organization's relationship to other entities within the accessions enterprise. AMRG expects the Army to publish the updated regulation in 2020.

**Updating and documenting its assessment process.** AAA found that only three of AMRG's 23 national events during fiscal year 2016 provided the best value for their intended purpose and recommended that AMRG discontinue efforts that were not cost-effective in comparison to other options and assess the cost-effectiveness of current marketing and advertising efforts. As of September 2019, AAA reported that this recommendation was implemented but not closed. According to AMRG officials, AMRG discontinued all of the events that were deemed to not be cost-effective in AAA's report.

In its report, AAA also found that AMRG's assessment process did not include USAREC's and USACC's marketing and advertising efforts and that AMRG did not formally document that process; AAA recommended that AMRG establish and formally document a process with roles and responsibilities to assess the effectiveness and efficiency of all Army marketing and advertising efforts.<sup>31</sup> As of September 2019, AAA reported that this recommendation was implemented but not closed.

We found that AMRG formally documented how it assesses the effectiveness of the marketing and advertising program, consistent with the commercial best practice of seeking to develop an understanding of how outcomes can be attributed to advertising. In January 2019, AMRG issued guidance that outlines its assessment process, including the types of information that are reviewed in each assessment. The guidance we reviewed outlines three levels of assessments: Level I is a review by program managers of their individual programs; level II, to be conducted on a quarterly basis, is a review at the operational level in which the directors of research and marketing review the results of marketing and advertising efforts across multiple marketing channels; and level III, also to be conducted on a quarterly basis, is a review at the strategic level in

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<sup>31</sup>The recommendation stated that the assessment process should (1) include personnel from the Assistant Secretary of the Army for Manpower and Reserve Affairs and Deputy Chief of Staff, G-1; (2) consider cost-effectiveness and contribution in comparison to other options; (3) include the efforts of USAREC and USACC during the assessment process; and (4) document decisions to continue, discontinue, or modify efforts to provide best value in support of the Army's accessions missions.

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which the AMRG Director reviews the Army's progress in meeting its strategic marketing goals. Further, in January 2019, AMRG reviewed a summary of the number, cost, and performance of USAREC's and USACC's local marketing and advertising activities as part of the level II assessment process.

In addition, to facilitate comparison of options, AMRG developed a tool for comparing different programs within a given marketing channel. The tool, which AMRG calls a decision support matrix, allows officials to comparatively rank different programs based on weighting different factors. For example, based on our review of the decision support matrix, we found that AMRG assigned a higher weight to a program's effectiveness than its timing. The tool also incorporates qualitative feedback based on how program managers, USAREC, and USACC rank the programs, and quantitative analysis on the cost per lead, impression, or engagement, depending on the type of program.

**Improving the reliability and capabilities of data systems.** AAA identified discrepancies between information in the Enterprise Marketing Management (EMM) system and supporting documentation and recommended that AMRG establish and formally document a process to ensure that all Army marketing and advertising performance and cost data were regularly recorded in an official marketing system of record on a regular basis.<sup>32</sup> As of September 2019, AAA reported that this recommendation had not been fully implemented. The Army has taken steps to improve the reliability of the data in EMM since AAA's report. In August 2019, the Army issued a task order on its primary marketing and advertising contract covering EMM system support to include overseeing and improving the quality of data in EMM. According to the performance

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<sup>32</sup>In our analysis of EMM data from fiscal year 2018, we also identified potential reliability issues. For example, our analysis showed that the Army planned for almost 9 million prospects engaged in person from local marketing and advertising activities, but less than 600,000 actual engagements were reported in EMM. AMRG officials stated that the large number of planned engagements recorded indicated to them that the data were not entered correctly, and that they were aware of the issue and were planning steps to address it, such as issuing a task order for data quality management on the new marketing and advertising contract. Further, our analysis showed that, of the 836 national marketing and advertising activities that were identified in EMM as completed before December 30, 2018, only 15 percent were reported as closed as of June 2019. According to AMRG officials, for an activity to be considered closed, it should have all of the relevant cost and performance data entered in EMM. AMRG officials stated that this was possibly because the Army's previous advertising agency was often delayed in inputting data and closing out activities in EMM.

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work statement, the Army's new advertising agency is responsible for, among other things, accurately documenting current data, systems, and business processes, as well as analyzing EMM reports and documentation for completeness and accuracy. Further, the advertising agency is responsible for identifying and documenting business problems and recommending areas for improvement and technology solutions.

During the focus groups we held with AMRG personnel, participants told us that AMRG leadership was focused on demonstrating the effectiveness of the Army's marketing and advertising through reliable and readily-available data. For example, the Army implemented an electronic business reply card, which is a digital form to capture a potential recruit's eligibility and contact information and a means of identifying the event where the recruit learned about the Army.<sup>33</sup>

USAREC and USACC officials told us that prior to the electronic business reply card, recruiters collected prospects' information at events by using a paper card. Although that card reflected the event where the potential recruit heard about the Army, it would often take several days before the potential recruit's information appeared in the recruiting system, according to these officials. As a result, recruiters would sometimes not send in the paper card and would instead enter the prospect's information directly into the system. In these cases, the marketing and advertising event would not receive credit for generating the lead. USAREC and USACC officials stated that the electronic business reply card's quicker turnaround time for leads showing up in the system should improve data reliability by ensuring that recruiters and recruiting operations officers consistently enter an individual's demographic data into the system, along with the marketing and advertising activity they interacted with. These steps to better identify the number of leads generated by marketing and advertising activities are consistent with the commercial best practice of conducting ongoing analysis of performance using industry standard measures appropriate for the purpose of the advertising activity.

In addition, in August 2019, the Army issued a task order on its new marketing and advertising contract for the maintenance and optimization of its system that tracks analytics on the Army's marketing and advertising activities, which AMRG refers to as the Intelligence Hub. The advertising agency is responsible for monitoring this system and

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<sup>33</sup>The electronic business reply card tracks the marketing and advertising activity at which a potential recruit gave his or her information and helps ensure the digital capture of the recruit's demographic information.

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producing reports that track the effectiveness of marketing and advertising activities based on key performance indicators. The advertising agency is also responsible for upgrading the system to track the multiple marketing and advertising resources that a potential recruit interacts with. AMRG officials told us that the upgrade of this system is intended to equip the Army with more complete data to demonstrate the effectiveness of the Army's marketing and advertising activities—consistent with the commercial best practice of seeking to develop an understanding of how outcomes can be attributed to advertising.<sup>34</sup>

**Integrating national and local marketing and advertising efforts.** AAA found that AMRG did not integrate and leverage both national and local marketing and advertising efforts to support the Army's accessions mission and recommended that AMRG revise the Army's marketing performance framework to include marketing and advertising efforts at both the national and local levels. As of September 2019, AAA reported that this recommendation was implemented but not closed. We found that the Army has created programs and instituted procedures designed to increase coordination of national and local marketing and advertising efforts. For example, AMRG reported that it included other Army components, including USAREC and USACC, in developing the fiscal year 2019 marketing goals and planned to include those organizations in its fiscal year 2020 process.

In addition, TRADOC established the Army Accessions Resource Fusion Board, which brings together organizations from across the accessions enterprise for quarterly meetings at which they make operational resource sharing plans for marketing and recruiting assets.<sup>35</sup> For example, according to a March 2019 briefing for an Army Accessions Resource Fusion Board meeting, representatives from USAREC brigades

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<sup>34</sup>AMRG officials stated that the updated system should capture each time an individual interacts with a marketing and advertising resource, also known as multi-touch attribution. This capability should allow officials to see all of the marketing and advertising resources an individual has interacted with, such as digital advertisements clicked on or recruiting events attended, and to more directly attribute outcomes to specific marketing and advertising activities.

<sup>35</sup>According to its charter, the Army Accessions Resource Fusion Board has a governance process that includes the (1) Council of Colonels and (2) General Officer Steering Committee. The Council of Colonels is to meet at least quarterly to review, discuss, and address items that affect the accessions enterprise. The General Officer Steering Committee is to meet quarterly as needed to review, discuss, and consider recommended actions from the Council of Colonels.

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discussed their planned marketing and advertising activities for the first quarter of fiscal year 2020, including any requests they had for support from other Army stakeholders for those planned activities. Further, according to its charter, the Army Accessions Resource Fusion Board is responsible for assessing the effectiveness of local marketing and advertising efforts in the previous quarter.

In fiscal year 2018, the Army also created a pilot program designed to improve how the Army's marketing and advertising program coordinates with its recruiting components and to produce marketing and advertising messages that resonate more effectively with target populations. The Army began implementing the program in Chicago in fiscal year 2019 and as of April 2019 was planning to expand the program to Boston and four other cities. As of July 2019, AMRG had observed positive results from the program in Chicago. For example, AMRG reported an increase of 11 percent in the number of leads and an increase of about 7 percent in the number of recruits who signed contracts with the Army when compared to the prior year in that region.

Officials from TRADOC, USAREC, and USACC told us that coordination with AMRG on marketing and advertising efforts has improved since the time AAA conducted its audits. For example, TRADOC officials stated that AMRG senior leaders have supported the accessions enterprise by providing analytic support to USAREC and USACC. Further, USAREC officials stated that in fiscal year 2018 AMRG started to provide funding for local marketing and advertising activities near USAREC's requested levels, and that this change had been carried forward into fiscal year 2019.

**Obtaining new tools to determine required marketing and advertising resources.** AAA found that AMRG did not use a resource requirements projection model that supported and linked to planned marketing efforts and recommended that AMRG develop such a model.<sup>36</sup> As of September 2019, AAA reported that this recommendation had not been fully implemented. AMRG has contracted with the RAND Corporation and a consulting firm to develop tools to determine the resources AMRG needs to conduct its marketing and advertising activities. The RAND tools include three planned models, one of which is

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<sup>36</sup>A resource requirements projection model predicts the mix of recruiting resources required for the Army to efficiently meet its accessions mission.

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the recruiting resource model recommended by AAA. The recruiting resource model has been partially completed and is being updated with additional data with full completion scheduled for September 2020. According to the Army's fiscal year 2020 budget request, the Army used the RAND report that developed this model as a justification for increasing its advertising budget for fiscal year 2020.

Further, in consultation with a consulting firm, AMRG developed a channel allocation simulator that allows AMRG officials to test different funding levels for its marketing and advertising channels to see potential outcomes. For example, based on our review of the simulator, AMRG can enter a specific amount of funding for events to estimate how many leads it can expect to obtain from that level of funding. AMRG officials stated that they can use this tool to help them plan for their required level of resources for the upcoming fiscal year. The development of this simulator is consistent with the commercial best practice of using sophisticated marketing mix modeling to determine an appropriate spending strategy.<sup>37</sup>

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## The Army Has Taken Steps to Improve Its Workforce Practices and to Reorganize the Organizational Structure of Its Marketing and Advertising Program

### ASA(ALT) and OPM Conducted Reviews of AMRG's Workforce and Recommended Areas for Improvement

ASA(ALT) and OPM conducted reviews of AMRG's workforce and made recommendations to improve the workforce practices within the marketing and advertising program. From January to May 2018, ASA(ALT) conducted a review of AMRG's business processes and found high-risk issues that contributed to organizational inefficiencies within five areas: (1) internal communications, (2) business performance, (3) training, (4)

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<sup>37</sup>According to industry experts, "marketing mix modeling" refers to the use of statistical analysis to estimate the effects of various marketing tactics on desired behavior (such as enlistment) and project the ideal or most efficient mix of tactics to result in that behavior.

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program performance and accountability, and (5) personnel. For example, ASA(ALT) found that AMRG personnel were unclear about AMRG's core mission, objectives, and program priorities. Further, ASA(ALT) found that AMRG's personnel, skills, training, and physical locations were not aligned to support AMRG's mission. In addition, OPM conducted an assessment from March to September 2018 to identify organizational inefficiencies and propose solutions intended to transform AMRG into a high-performing organization and improve its workforce morale. Similar to ASA(ALT), OPM identified issues with a lack of mission clarity and insufficient communication and collaboration throughout AMRG's workforce and with its stakeholders. In addition, OPM identified a number of organizational design issues within AMRG, including workforce acquisition, management, and optimization of its operational components and staff.

ASA(ALT) and OPM made multiple recommendations to address these issues within AMRG. For example, ASA(ALT) recommended that AMRG establish and disseminate standard operating procedures and process charts; clarify roles and responsibilities of the various organizational components; and clearly communicate to staff the final annual marketing strategy.<sup>38</sup> OPM recommended a multiphased approach to implementing its overall recommendations, identifying key actions to take in each phase. For example, within the first phase, OPM recommended that AMRG determine the new functional structure for AMRG because it would improve management and accountability, collaboration, and stakeholder satisfaction. In addition, within the second phase, OPM recommended that AMRG develop a human capital management plan and review and update its position descriptions regularly to ensure they align with changing goals, staffing needs, and the organizational structure of AMRG.

AMRG took some steps to address ASA(ALT)'s and OPM's recommendations to improve its workforce practices. Within its report, ASA(ALT) noted that AMRG had started to take actions to implement several recommendations, such as disseminating AMRG's mission statement, priority objectives, strategic goals, and fiscal year 2019 annual marketing plan guidance to all AMRG personnel. Similarly, OPM noted

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<sup>38</sup>In addition to its recommendations related to the organization and workforce practices of AMRG, ASA(ALT) recommended taking steps to improve AMRG's business performance and budget planning and execution processes to increase spending oversight, among other things.

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that AMRG had established task groups to coordinate with stakeholders, participated in meetings with Congress and stakeholders, and was developing a new vision for AMRG. However, as of April 2019, senior AMRG officials stated that they had not taken steps to address all of the reports' recommendations because the Army was considering broader organizational changes to the placement of AMRG within the Army. While the recommendations in ASA(ALT) and the OPM reports were generally specific to AMRG's organization and workforce at that time, senior AMRG officials stated that the Army would take additional steps to incorporate ASA(ALT)'s and OPM's recommendations, as appropriate, after senior Army leadership made decisions about those changes.

In our review, AMRG personnel we met with continued to identify poor internal communications and morale as key challenges within AMRG, consistent with the findings from ASA(ALT) and OPM. During our focus groups with AMRG personnel, participants repeatedly stated that senior AMRG leadership did not communicate key information to staff. For example, participants told us that senior AMRG leadership did not communicate information about AMRG's mission, strategic priorities, or pending organizational changes. As described below, subsequent to our focus groups, the Army began taking steps to fundamentally change the organizational structure, workforce, and leadership of its marketing and advertising program. In light of the timing of these substantial changes, we did not comprehensively assess the extent to which communication issues have been resolved in the reorganization of the marketing and advertising program. It will be important for the new leadership to focus on communication at the outset of this organizational change to establish positive morale within the workforce.

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## The Army Reorganized Its Marketing and Advertising Program to Improve Its Structure, and Early Steps Are Consistent with Some Key Reform Practices

The Army recently reorganized its marketing and advertising program to improve its organizational structure; the Army's early steps to implement the reorganization are consistent with some key practices for agency reform efforts we identified in our prior work, as described below.<sup>39</sup> In May 2019, the Secretary of the Army reassigned, redesignated, and stated that the Army planned to relocate AMRG.<sup>40</sup> The Secretary of the Army redesignated AMRG as AEMO and reassigned the office to the Deputy Chief of Staff of the Army, G-1. The effective date of this reassignment was August 1, 2019. AEMO's mission is to coordinate the Army's national marketing and advertising strategy; develop and maintain relationships with the marketing and advertising industry; and develop marketing expertise and talent within the Army to support the Army, Army National Guard, and Army Reserve accessions. The offices will be moved from Arlington, Virginia, and Fort Knox, Kentucky, to Chicago, Illinois. Consistent with the key practice to designate a leader to be responsible for the implementation of the proposed reforms, the Secretary of the Army designated the Assistant Secretary of the Army for Manpower and Reserve Affairs as responsible for establishing AEMO and overseeing the transition. The Assistant Secretary stated that he expected AEMO to be fully operational by early 2020.

The Army identified several reasons for transitioning from AMRG to AEMO and reassigning the office to the Deputy Chief of Staff of the Army, G-1, consistent with the key practice to define and articulate a succinct and compelling reason for the reforms. According to the execution order establishing AEMO, the Army needed an organization strategically positioned to: support Army senior leadership in advertising, marketing, and analysis; coordinate with the Army's primary advertising agency; be talent diverse; provide effective marketing analysis; and be able to provide consistency of message and brand across the Army accessions enterprise. The Assistant Secretary of the Army for Manpower and

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<sup>39</sup>[GAO-18-427](#). Agencies should consider these key practices in the development and implementation of agency reforms that include any organizational changes, such as transformations and other reorganizations, and efforts to streamline and improve the efficiency and effectiveness of government operations. Categories of key practices to assess agency reform efforts include (1) goals and outcomes; (2) processes for developing the reforms; (3) implementing the reforms; and (4) strategically managing the federal workforce. Each of these four broad categories has relevant subcategories and key practices.

<sup>40</sup>Army General Order 2019-18, *Redesignation, Reassignment, and Relocation of the U.S. Army Marketing and Research Group as the Office of the Chief Army Enterprise Marketing, a Field Operating Agency of the Deputy Chief of Staff, G-1* (May 30, 2019).

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Reserve Affairs also stated that AEMO is being assigned to the Deputy Chief of Staff of the Army, G-1, in part, because of the continuity in leadership that having a military officer lead the organization will provide. Previously, AMRG was assigned to the Office of the Assistant Secretary of the Army for Manpower and Reserve Affairs, whose leader is politically appointed and had been vacant for two years until January 2019. In addition, the Assistant Secretary stated that AEMO will be located in Chicago to increase its coordination with the new advertising agency, which is also headquartered in Chicago. The Assistant Secretary also told us that the Army hoped to recruit civilian staff and to leverage the marketing and advertising expertise at academic and other marketing and advertising institutions in the region.

The Army has taken some initial steps to establish AEMO and its operations. The Army has outlined a three-phased plan with specific tasks and associated dates within each of these phases, which is consistent with the key practice to establish implementation goals and a timeline to build momentum and show progress for the reforms. Phase 1, which was to be completed by August 1, 2019, prioritized tasks to initially establish AEMO, such as publishing the Army directive establishing AEMO, issuing the execution order outlining roles and responsibilities for the transition from AMRG to AEMO, and identifying office space in Chicago. Phase 2, which is to be completed between August 1, 2019, and February 1, 2020, includes tasks to transition AEMO to being fully operational, such as establishing new position descriptions and equipping the permanent office space. Lastly, phase 3 identifies those tasks to be implemented after February 1, 2020, when AEMO is fully operational and conducting daily operations, such as updating roles and responsibilities in the Army's regulation for its marketing and advertising program and developing policies to direct commission military personnel to the office.<sup>41</sup>

The plan also identifies offices and officials who are accountable for implementing specific tasks during the transition. The Assistant Secretary of the Army for Manpower and Reserve Affairs told us that the Army established an operational planning team to execute the transition from AMRG to AEMO. The execution order also identifies key stakeholders, including officials from TRADOC, Office of the Chief, Army Reserve, and

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<sup>41</sup>The Army allows recruits with certain backgrounds, such as medical, legal, or cyber, to gain a direct commission as an Army officer without attending an Army Reserve Officers' Training Corps program, Officer Candidate School, or the U.S. Military Academy at West Point.

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National Guard Bureau, who are to participate in weekly working group meetings led by the Assistant Secretary of the Army for Manpower and Reserve Affairs. Looking forward, by January 2020 the Army plans to develop metrics to assess the effectiveness of the new AEMO organization, including the purpose, expectations, and desired outcomes, which is consistent with the key practice that calls for clear outcome-oriented goals and performance measures.

In addition, the Army has taken some initial steps to establish AEMO's workforce. As of September 2019, the Army had authorized 53 positions—31 military and 22 civilian—for AEMO and identified a Brigadier General from the Army Reserve with marketing and advertising experience as its leader. Senior Army leadership stated that they expected to fill almost all of the positions with new military and civilian personnel, in part, because the civilian position classifications in AMRG do not generally align with those in AEMO. As of June 2019, the Assistant Secretary of the Army for Manpower and Reserve Affairs told us that the Army was identifying Active Duty, Reserve, and National Guard officers with marketing and advertising education or experience to fill the military positions. In addition, the Assistant Secretary stated that they were working with OPM to develop position descriptions for the AEMO civilian personnel and to identify the skills and expertise needed within AEMO to fulfill its mission, consistent with the key practice to determine if the agency will have the needed resources and capacity, including the skills and competencies, in place for the reorganization. The Army has also established a working group led by the U.S. Army Office of Economic and Manpower Analysis at West Point to develop a new marketing career path that senior Army leadership stated is intended to create a pool of military personnel who could serve in AEMO and other Army accessions organizations in the future.

As the Army carries out its steps to fully establish AEMO and reorganize the marketing and advertising program, it will continue to be important for the Army to consider and use the key practices for agency reform efforts to guide the transition. Doing so will help ensure the success of the new marketing and advertising organization.

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## Agency Comments

We provided a draft of this report to DOD for review and comment. The Army provided technical comments, which we incorporated as appropriate.

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We are sending copies of this report to the appropriate congressional committees, the Secretary of Defense, and the Secretary of the Army. In addition, the report is available at no charge on the GAO website at <http://www.gao.gov>.

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Elizabeth Field  
Director, Defense Capabilities and Management

# Appendix I: Army Actions to Improve Its Marketing and Advertising Program as Stated in the Army's Report to Congress

This appendix summarizes an Army report to Congress on actions taken to improve its marketing and advertising program.<sup>1</sup> Section 599 of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 required the Army to submit a report to Congress that addressed several elements, such as the mitigation and oversight measures implemented to assure improved program return and contract management, and the establishment of a review process to regularly evaluate the effectiveness and efficiency of marketing efforts.<sup>2</sup> The Army submitted the report on February 5, 2019. Table 4 identifies the required elements of the report and the actions that the Army has reported taking to address these elements.

**Table 4: The Army's Reported Actions to Congress on Improving the Army's Marketing and Advertising Program**

Element	Summary of Army's Reported Actions
The mitigation and oversight measures implemented to assure improved program return and contract management including the establishment of specific goals to measure long-term effects of investments in marketing efforts.	<p>In the report to Congress, the Army stated that the Army Marketing and Research Group (AMRG) took several steps to address this element, such as revising its fiscal year 2019 performance goals and performance framework to enhance short-term and long-term performance, integrating national and local marketing and advertising efforts through a pilot program, and implementing processes for contractor oversight.</p> <p>Since issuing the report, the Army has continued to take steps to address this element with plans to revise its fiscal year 2020 marketing goals and expand its pilot program into additional cities. AMRG also established a project management office to integrate and standardize contract oversight.</p>
The establishment of a review process to regularly evaluate the effectiveness and efficiency of marketing efforts including efforts to better support the accessions missions of the Army.	<p>In the report to Congress, the Army stated that AMRG cancelled the 20 national marketing and advertising events that the U.S. Army Audit Agency (AAA) reported were not cost-effective, used a decision support matrix to evaluate and prioritize annual marketing programs, contracted with the RAND Corporation to quantify the cost-effectiveness for marketing and advertising activities, and established data analysis tools to better track the effectiveness of its programs.</p> <p>Since issuing the report, the Army has continued to take steps to address this element by redesigning its main Army website to tailor content to individual visitors and issuing a task order on its new marketing and advertising contract for the maintenance and optimization of its system that tracks analytics on the Army's marketing and advertising activities.</p>

<sup>1</sup>Department of the Army, *Army Marketing and Advertising Program: Army Audit Agency Recommendations on Contract Oversight and Return on Investment: Report to Congress* (February 2019).

<sup>2</sup>Pub. L. No. 115-232, § 599 (2018).

**Appendix I: Army Actions to Improve Its  
Marketing and Advertising Program as Stated  
in the Army's Report to Congress**

Element	Summary of Army's Reported Actions
The increase of acquisition and marketing experience within AMRG.	<p>In the report to Congress, the Army stated that AMRG was transitioning marketing specialist positions to specialized marketing and program management skills and providing program managers with contracting officer's representative training.</p> <p>Since issuing the report, the Army has implemented a project management office to integrate and standardize contract oversight, which will be included in the new Office of the Chief Army Enterprise Marketing. In addition, the Army is creating a marketing career field for military personnel who are assigned to the new office.</p>
A workforce analysis of AMRG in cooperation with the U.S. Office of Personnel Management (OPM) and industry experts assessing the AMRG organizational structure, staffing, and training, including an assessment of the workplace climate and culture internal to the AMRG.	<p>In the report to Congress, the Army stated that OPM in October 2018 submitted its final report with recommendations and that the Army had contracted with industry leaders to provide input on the organizational design and job functions within AMRG.</p> <p>Since issuing the report, the Army redesignated AMRG as the Office of the Chief Army Enterprise Marketing and reassigned it from the Assistant Secretary of the Army for Manpower and Reserve Affairs to the Deputy Chief of Staff of the Army, G-1. To establish the new office, the Army has developed a new organizational structure and, in consultation with OPM, is developing position descriptions for personnel.</p>
The establishment of an Army Marketing and Advisory Board comprised of senior Army and marketing and advertising leaders and an assessment of industry and service marketing and advertising best practices, including a plan to incorporate relevant practices.	<p>In the report to Congress, the Army stated that AMRG would routinely engage with industry leaders and the other services to identify industry best practices. The Army stated that it took this approach, instead of an Army Marketing and Advisory Board, because it was consistent with the statute's intent and avoided restrictions from the Federal Advisory Committee Act, which governs the establishment and operation of advisory committees.</p> <p>Since issuing the report, the Army reported that AMRG has continued to engage with industry leaders through a consulting contract, such as obtaining feedback on industry best practices on how to revise its strategic marketing goals and framework.</p>
The status of the implementation of contracting practices recommended by the AAA audit of contracting oversight of the AMRG.	<p>In the report to Congress, the Army stated that AMRG was regularly reviewing its progress in implementing AAA's recommendations.</p> <p>Since issuing the report, the Army has continued to monitor its progress in implementing the recommendations. AAA officials stated that they have worked closely with AMRG to monitor the status of implementing the recommendations and that AMRG has sought feedback on steps taken to implement the recommendations.</p>

Source: GAO analysis of Department of the Army information. | GAO-20-93

Note: Section 599 of the John. S. McCain National Defense Authorization Act for Fiscal Year 2019 required the Army to submit a report to Congress on the Army's steps to improve the contract oversight and return on investment of its marketing and advertising program, among other things. Pub. L. No. 115-232, § 599 (2018).

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# Appendix II: Army Marketing and Research Group's Reported Actions to Address Army Audit Agency's Recommendations

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This appendix provides a summary of actions that the Army has reported taking to address the recommendations in the April 2018 U.S. Army Audit Agency (AAA) reports about the Army's marketing and advertising program.<sup>1</sup> One report focused on contract oversight, and the other report focused on what AAA termed "return on investment." Each report contained seven recommendations, with which the Army Marketing and Research Group (AMRG) concurred. AMRG and AAA officials stated that they have communicated about AMRG's actions to implement the recommendations and that AAA has provided feedback, as appropriate, on actions taken. AAA officials stated that AAA may conduct a follow-up audit in fiscal year 2020 to determine if the actions have led to improvements in the marketing and advertising program. Table 5 summarizes the recommendations from the AAA report on contract oversight, the actions AMRG has taken to implement them, and the status—as of September 2019—of their implementation as reported by AAA.

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<sup>1</sup>AAA, *The Army's Marketing and Advertising Program: Return on Investment*, Audit Report A-2018-0036-MTH (Fort Belvoir, Va.: Apr. 13, 2018) and *The Army's Marketing and Advertising Program: Contract Oversight*, Audit Report A-2018-0033-MTH (Fort Belvoir, Va.: Apr. 13, 2018).

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**Table 5: Army Marketing and Research Group's (AMRG) Actions to Address U.S. Army Audit Agency (AAA) Recommendations on Contract Oversight**

Summary of AAA recommendation	AMRG's actions	Status of implementation reported by AAA, as of September 2019 <sup>a</sup>
Require that all program managers receive the proper contracting officer's representative training and provide appointment letters for each one. Ensure quality assurance surveillance plans are tailored to the task order's circumstances and there is an individual quality assurance surveillance plan for all task orders over \$150,000.	<p>As of April 2019, AMRG program managers had received contracting officer's representative training. AMRG planned to issue appointment letters according to the requirements of individual task orders.</p> <p>AMRG also developed quality assurance surveillance plans for each task order issued in fiscal year 2019 under the previous marketing and advertising contract as well as for the 16 task orders issued under the new contract as of September 2019.</p> <p>In September 2019, AMRG developed standing operating procedures for marketing and procurement activities, which state that program managers are required to obtain contracting officer's representative training and that the Director of Marketing, Director of Research, and AMRG contracts team are to monitor program managers' certification quarterly.</p>	Not implemented
Update the award fee plan and award fee review process to include soliciting feedback from program managers, maintaining supporting documentation, and obtaining objective performance data.	<p>For the award fee period of April 7, 2017, to April 6, 2018, AMRG included program manager feedback, surveyed Award Fee Review Board members who were familiar with the agency's performance, used supporting documentation, and considered objective performance data from Joint Advertising, Market Research &amp; Studies.</p> <p>Under the new primary marketing and advertising contract, AMRG plans to update the award fee process so that the award fee option will be available at the task-order level, which AMRG officials stated will provide greater flexibility to choose which programs should be incentivized by an award fee.</p>	Not implemented
Develop and implement internal procedures to ensure contracts or task orders do not contain deliverables already provided for in existing firm-fixed-price contracts or task orders.	<p>AMRG implemented several updates to the contracting process to ensure there are no duplicative contracts, such as consolidating all AMRG contract actions under one team at the U.S. Army Mission Installation and Contracting Command and setting up a multilayered approval process to verify that contract requests are not duplicative with existing contracts.</p> <p>AMRG has also developed a standardized technical evaluation form that requires program managers to certify that the task order being requested does not duplicate existing or other pending work.</p>	Not implemented
Use the creative technology support contract for all of the creative technical services within the scope of its performance work statement.	<p>AMRG plans to issue a modification to the contract for creative technology support to remove services duplicated in the primary contract for conducting marketing and advertising activities. As of September 2019, AMRG expected to issue the modification in November 2019.</p>	Not implemented
Use appropriate contract remedies to enforce contract provisions requiring contractors to enter information into the Contractor Manpower Reporting Application system.	<p>In November 2017, AMRG validated that 2017 contractor manpower data was input as required into the Contractor Manpower Reporting Application system. As of April 2019, AMRG was continuing to validate that the contractor had entered the required data for fiscal year 2018. The contracting officer will also validate contractor-input data on an annual basis.</p>	Implemented but not closed

**Appendix II: Army Marketing and Research  
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<b>Summary of AAA recommendation</b>	<b>AMRG's actions</b>	<b>Status of implementation reported by AAA, as of September 2019<sup>a</sup></b>
Define and implement a well-structured policy for conducting technical evaluations, to include labor hours, of cost proposals that presents information in a concise and meaningful manner.	In September 2019, AMRG issued standing operating procedures for program managers that provide guidance on developing task order requests and evaluating proposed task orders by completing a technical evaluation form.	Implemented but not closed
Establish a standardized form to ensure consistency during the evaluation process.	AMRG has developed a standardized form to conduct technical evaluations prior to task order award. The form requires program managers to perform a comparative price analysis with the requested activity and prior year's costs; confirmation that requested travel is necessary; project purpose and AMRG coordination; project schedule; and review of subcontractor bids.	Implemented but not closed

Source: GAO analysis of Department of the Army information. | GAO-20-93

Note: In April 2018, AAA issued its report on contract oversight within the Army's marketing and advertising program. AAA, *The Army's Marketing and Advertising Program: Contract Oversight*, Audit Report A-2018-0033-MTH (Fort Belvoir, Va.: Apr. 13, 2018).

<sup>a</sup>AAA officials stated that they consider a recommendation as implemented but not closed when AAA determines that sufficient actions have been taken by the audited agency, but AAA has not verified that the recommendation's desired results have been achieved. Once AAA has verified that the actions have resulted in the desired results, AAA will classify a recommendation as closed. AAA officials stated that they may conduct a follow-up audit in fiscal year 2020 to determine if AMRG's actions are sufficient to close the recommendations.

**Appendix II: Army Marketing and Research Group's Reported Actions to Address Army Audit Agency's Recommendations**

Table 6 identifies the recommendations from the AAA report on return on investment, the actions AMRG has taken to implement them, and the status—as of September 2019—of their implementation as reported by AAA.

**Table 6: Army Marketing and Research Group's (AMRG) Actions to Address U.S. Army Audit Agency (AAA) Recommendations on Return on Investment**

Summary of AAA recommendation	AMRG's actions	Status of implementation reported by AAA as of September 2019 <sup>a</sup>
Develop specific goals to measure the long-term effects of investments in marketing efforts to support the Army's accessions missions.	AMRG revised the marketing goals for fiscal year 2019 to shift from attitudinal goals to behavioral goals, including four goals that reflect perceptions of the Army, two behavioral goals, one efficiency goal, and one effectiveness goal. For fiscal year 2020, AMRG expects to shift entirely to behavioral goals based on the stages of a lead nurturing funnel, which AMRG officials stated will allow AMRG to evaluate its effectiveness at different stages and to more quickly allocate money to different stages as needed to ensure mission success.	Implemented but not closed
Revise the Army's marketing performance framework so that it integrates and leverages marketing and advertising efforts at both national and local levels.	AMRG integrated the U.S. Army Recruiting Command (USAREC), U.S. Army Cadet Command (USACC), Army National Guard, Office of the Chief, Army Reserve, and the Office of the Chief of Public Affairs in the fiscal year 2019 marketing planning process. According to AMRG officials, the results of USAREC's and USACC's local marketing and advertising efforts are incorporated into one of the fiscal year 2019 strategic marketing goals—the conversion rate of the number of leads to appointments made.  The Army also created a pilot program designed, among other things, to redefine how the Army's marketing and advertising program coordinates with its recruiting components and to produce messaging that resonates more effectively with target populations. The first pilot was in Chicago and will be expanded to Boston and four other cities.	Implemented but not closed
Establish and formally document a periodic process with roles and responsibilities to assess the effectiveness and efficiency of all Army marketing and advertising efforts.	In January 2019, AMRG issued guidance that outlines its assessment process, including the types of information that are reviewed in each assessment.  AMRG also developed a decision support matrix, a tool that values and ranks national marketing and advertising programs. According to AMRG officials, this tool ranks the programs by weighting factors including qualitative feedback from USAREC, USACC, and the Office of the Chief, Army Reserve, and quantitative metrics such as cost per impression or lead.	Implemented but not closed
Assess the cost-effectiveness of current marketing and advertising efforts and discontinue efforts that are not cost-effective in comparison to other options.	AMRG discontinued the 20 marketing and advertising events that AAA found were not cost effective.	Implemented but not closed

**Appendix II: Army Marketing and Research Group's Reported Actions to Address Army Audit Agency's Recommendations**

Summary of AAA recommendation	AMRG's actions	Status of implementation reported by AAA as of September 2019 <sup>a</sup>
Establish and formally document a process with roles and responsibilities to ensure that all Army marketing and advertising performance and cost data is completely and accurately recorded in an official marketing system of record on a regular basis.	<p>In August 2019, the Army issued a new task order on its primary marketing and advertising contract for EMM system support to include overseeing and improving the quality of data in EMM. According to the performance work statement, the Army's new advertising agency is responsible for, among other things, accurately documenting current data, systems, and business processes, as well as analyzing EMM reports and documentation for completeness and accuracy. Further, the advertising agency is responsible for identifying and documenting business problems and recommending areas for improvement and technology solutions.</p> <p>As of April 2019, AMRG reported that it was transferring all of its vendors' customer data into EMM. Going forward, the vendors and the advertising agency will enter performance and cost data directly into EMM. AMRG expected to have the new application for performance and cost data developed and implemented by October 2019. AMRG officials told us that once that process is complete, AMRG would document the process and associated roles and responsibilities for entering information into EMM.</p>	Not implemented
Request update to Army Regulation 601-208 to institutionalize new and revised goals and processes.	<p>AMRG developed a draft version of the updated Army Regulation 601-208, which had been informally staffed across all affected organizations including the Deputy Chief of Staff of the Army, G-1, TRADOC, USAREC, and USACC. As of July 2019, AMRG had not yet finalized the regulation because of recent organizational changes in the marketing and advertising program, according to AMRG officials. AMRG officials told us they expect the Army to publish the revised regulation in 2020.</p>	Not implemented
Develop a resource requirements projection model that links to and supports planned marketing efforts.	<p>The Army contracted with the RAND Corporation to develop a model to determine the expected resource needs to achieve the annual recruiting goals for the Active Army and Army Reserve, including the number of recruiters, amount of incentives, and marketing and advertising funding. The RAND Corporation is scheduled to complete this model by September 2020. In addition, the Army contracted with the RAND Corporation to develop a model to address AMRG's future funding needs. The RAND Corporation is expected to complete this model by February 2021.</p> <p>AMRG also developed a marketing channel allocation simulator tool that allows decision makers to see the effect of different funding levels for marketing channels on outcomes, such as impressions or leads, at different stages of the lead nurturing funnel.</p>	Not implemented

Source: GAO analysis of Department of the Army information. | GAO-20-93

Note: In April 2018, AAA issued its report on the return on investment of the Army's marketing and advertising program. AAA, *The Army's Marketing and Advertising Program: Return on Investment*, Audit Report A-2018-0036-MTH (Fort Belvoir, Va.: Apr. 13, 2018).

<sup>a</sup>AAA officials stated that they consider a recommendation as implemented but not closed when AAA determines that sufficient actions have been taken by the audited agency, but AAA has not verified that the recommendation's desired results have been achieved. Once AAA has verified that the actions have resulted in the desired results, AAA will classify a recommendation as closed. AAA officials stated that they may conduct a follow-up audit in fiscal year 2020 to determine if AMRG's actions are sufficient to close the recommendations.

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# Appendix III: GAO Contact and Staff Acknowledgments

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## GAO Contact

Elizabeth Field, (202) 512-2775 or [fielde1@gao.gov](mailto:fielde1@gao.gov)

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## Staff Acknowledgments

In addition to the contact named above, Margaret Best (Assistant Director), Kendall Banks, Timothy J. DiNapoli, Jacob Fender, Alexandra Gonzalez, Amie Lesser, Kristen Kociolek, Steven Lozano, Jonathan Meyer, Eve Nealon, Julia Kennon, Carol Petersen, Richard Powelson, Jerome Sandau, Jared Sippel, and Andrew Stavisky made key contributions to this report.

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## Strategic Planning and External Liaison

James-Christian Blockwood, Managing Director, [spel@gao.gov](mailto:spel@gao.gov), (202) 512-4707, U.S. Government Accountability Office, 441 G Street NW, Room 7814, Washington, DC 20548



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