Abstract. The paper is aimed at offering a synthesized, but comprehensive review of the relevant marketing performance management literature. While many contributions to measuring and improving marketing performance have been advanced, little previous research has focused on offering a complete overview of marketing performance management domains. Our paper attempts to do so, by first exploring the most popular concepts in marketing performance: marketing metrics, KPIs, dashboards, scorecards and marketing performance management systems. Then, based on the marketing productivity model proposed by Rust et al. (2004a), marketing performance domains are identified and analyzed, providing a complete approach to measuring and managing marketing performance, from marketing strategy to impact on financial results. To our best knowledge, this may be the first study in marketing literature from Romania, addressing marketing performance management from a holistic perspective.

Keywords: marketing performance, marketing accountability, marketing metrics, marketing dashboards, marketing scorecards.

THE “WHAT” AND “HOW” OF MARKETING PERFORMANCE MANAGEMENT

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1. Introduction

Marketing performance management has been one of the most prominent streams in recent marketing research and practice. In fact, the Marketing Science Institute has ranked marketing accountability, return on marketing investments and marketing performance management systems among the top 10 research priorities after 2002 and top priority for 2008-2010 (Lamberti and Noci, 2010).

Many valuable contributions have been brought to this field of research, concepts such as marketing metrics (Gupta and Zeithaml, 2006; Reibstein et al., 2006; Kotler et al., 2009), marketing dashboards (Pauwels et al., 2008), marketing performance management systems (Ambler, 2003; Lamberti and Noci, 2010) and marketing productivity (Rust et al., 2004a) being advanced. Notwithstanding these recent developments, there is little consensus as to what marketing performance management is and how it should be done. Our paper aims to bring together the most important recent developments in the research and practice of marketing performance management, offering a holistic approach to analyzing and managing marketing performance. Furthermore, based on the marketing productivity chain (Rust et al., 2004a), we identify the most important domains of measuring marketing performance, exploring the most popular concepts and practices for each.

2. Marketing performance management

2.1. The sphere of marketing performance management

To correctly define what marketing performance management envisages, a clarification must be done regarding two, sometimes used interchangeably, concepts: performance management and performance measurement. In a broad sense, performance management can be seen as the overarching process that deals with performance, thus including sub-processes such as performance planning, measuring, reporting and decision-making for improving performance. Performance measurement represents a component of performance management, dealing with the identification, monitoring and communication of performance results with the use of performance indicators (Brudan, 2010, p. 111). Hence, marketing performance management includes not just the monitoring and assessment of marketing results (marketing performance measurement), but also marketing planning, execution, and, highly important, use of marketing results for performance improvement. In fact, it is argued that the real value of performance measurement relies not in the performance indicators or reports, but in the decisions and actions generated from using them (Neely et al., 1995, in Meekings et al., 2009, p. 13).

Drawing the attention of not only marketing scholars, but also that of marketing practice, it is worthwhile noting that both have been active in proposing definitions and concepts to advance progress in marketing performance management. In fact, we would appreciate that marketing performance management is one of the marketing streams with the most prominent contributions from practice. For example, CMG Partners and Chadwick Martin Bailey (2010), two marketing consulting firms, define marketing
The “what” and “how” of marketing performance management

performance management as the discipline and practice of measuring, learning from and improving marketing strategies and tactics over time. Patterson (2007, p. 271) proposes a definition of marketing performance management as the practice of managing efficiency and value in marketing by aligning people, processes and systems towards a common set of goals.

Related to the sphere of marketing performance management, a problem that is often cited and seen in practice refers to being able to make an accurate separation between marketing and other functional areas, especially marketing and sales. Although theoretically the responsibilities of these two departments are relatively well defined, in practice it can often happen that these are conflicting (due to internal competition between departments) and not work towards common goals, or they can even be overlapped, which makes accountability problematic. Nevertheless, “firms will have to give up on separating sales to marketing to customer service” (Woodburn, 2004, p. 65), especially considering that this separation has lead for so long to a counter-productive internal competition. On the other hand, it is quite difficult to assume that outcomes such as customer satisfaction or sales volume can be attributed exclusively to an individual department, thus making accountability accurate (Woodburn, 2004).

Another situation often cited in relation to marketing performance measurement refers to actually defining what it is measured, depending on what marketing is considered to be, especially in companies where there is no marketing as specific department. In this context, Ambler (2003) proposed three approaches towards marketing:

- Marketing as intrinsic orientation (often unconscious) of the whole company towards obtaining customer preference and, ultimately, high returns for the shareholders (pan-company marketing);
- Marketing as functional area or department, which may or may not assume profits, products, pricing policies and so on (functional marketing);
- Marketing as expenses, most often advertising and promotional spending (budget marketing). In general, when speaking about return on marketing investments, this latter approach is envisaged.

Our opinion is that marketing performance measurement and management must refer to marketing as a company-wide orientation (since high level marketing outcomes cannot be attributed to marketing exclusively) and to marketing as process (the success of the marketing department in implementing the marketing mix).

2.2 Core concepts in marketing performance management

An important element in marketing performance measurement refers to the tools used in this process. We believe that the most popular such tools are the following: marketing performance indicators, marketing dashboards and marketing performance management systems.

Related to the performance indicators, in general, terminology includes other concepts such as performance measures, metrics and Key Performance Indicators
(KPIs). Reibstein et al. (2006, p. 1) define metrics as tools that “quantify a trend, dynamic or characteristic”. Parmenter (2009) identified four types of performance measures:

- Key results indicators (KRI), which reflect performance related to a critical success factor;
- Result indicators (RI), which reflect what was done, what was achieved;
- Performance indicators (PI), which reflect what needs to be done;
- Key performance indicators (KPI), which indicate what needs to be done in order to increase performance dramatically.

Kotler et al. (2009) use the terminology of “marketing metrics”, defined as a set of performance measures that help companies quantify, compare and interpret their marketing performance. Good marketing metrics have to:

- Be as quantifiable financially as possible, so as to “speak the same language” with the other departments in the organization;
- Be future oriented (leading), rather than to reflect past performance (lagging);
- Allow a granular analysis of marketing performance (down to the level of individual client);
- Offer objective data, to enable accountability and benchmarking.

Generally, scholars admit that there is no “silver” metric, meaning a performance measure that is perfect and sufficient alone in reflecting marketing performance. Thus, it is recommended to use a portfolio of performance indicators to have multiple perspectives on marketing performance and to see connections between the multiple dimensions. Such a portfolio of marketing metrics constitutes a marketing dashboard. The dashboard concept comes from the business intelligence (BI) area, being a form of BI solution that enables the management of a volume of data and the generation of performance reports based on this data. According to Rasmussen et al. (2009), data warehousing and analytical processing represent the two major pillars of a dashboard solution, and implicitly of a marketing dashboard. Such a dashboard offers business logic to a large amount of data, it enables synthetical visualization of some indicators or reports that can be updated even in real time and offers the possibility to drill-down for detail. Pop (2002) argues that the dashboard must contain the core business indicators (to respond to information needs of first level managers) and a “signaling” system which draws attention when indicator values are below thresholds. Additionally, there has to be available analytical data in order to enable the analysis of causes for poor performance.

Patterson (2007) suggests a “metrics continuum” with marketing performance indicators at five levels:

- Activity indicators, which have a statistical nature, not reflecting strategic dimensions (e.g. website visits, number of leads etc.);
- Operational indicators, which are related to the management of marketing as business entity (marketing department). They reflect the efficiency of investments (e.g. cost per lead, people per program, marketing campaign rentability etc.), but do not reflect business performance;
Outcome indicators, which allow the focus on dimensions that are related to value;
- Leading indicators;
- Predictive indicators.

Based on these indicators, a marketing dashboard is created, which enables the visualization of the metrics, progress and impact on business performance. The marketing dashboard has several characteristics (Patterson, 2007): it reflects how marketing “moves the needle” of the business; reflects what works and what doesn’t; enables marketing alignment to the other business areas; transforms complex indicators in comprehensive, actionable data. In this same context, the author argues that there has to be an evolution from what marketing usually measures (traffic on the website, response rates etc.) to more complex performance measures related to three critical aspects: client acquisition (e.g. share of audience), client retention (e.g. share of wallet) and client value increase (e.g. price premium).

Another popular concept in the area of marketing performance management is the marketing performance management system (MPMS), defined as set of processes and tools that deal with evaluating the performance influenced or driven by marketing (Lamberti and Noci, 2010, p. 141). The authors argue that there are three variables influencing such a system: the typology of the performance dimensions under evaluation, the typology of the indicators used and control systems (how the managers evaluate performance and use the information generated by the marketing performance management system). In what concerns the typology of marketing performance indicators used, the authors (2010) identify the following types:
- Financial output indicators, which compare the results of the marketing actions to the costs associated to implement the actions (e.g. profits, sales, cash flow);
- Non-financial output indicators, such as market share, customer satisfaction and so on;
- Input indicators, which reflect marketing performance in terms of effort (e.g. marketing budget and marketing assets) or marketing unit behaviour (marketing audits);
- Multiple, hybrid indicators which evaluate macro dimensions related to efficiency, effectiveness and interdependence of the multiple dimensions of the marketing performance management system.

The most popular performance management system is the Balanced Scorecard, which can be implemented at organizational level and translated at operational levels, including that of the marketing department. Kaplan and Norton (2001) describe such a system as emerging from the vision and the mission of the organization (and implicitly that of the marketing department), based on which performance objectives are formulated (on the four perspectives: financial, customer, internal processes and learning and growth). Further on, the accomplishment of the objectives is monitored through the performance indicators (grouped in a marketing performance scorecard) and through performance improvement initiatives. Therefore, such a system comprises the strategic level (mission, vision, marketing objectives), as well as the operational or tactical level (marketing metrics and marketing performance improvement initiatives).
3. Marketing performance management domains-what and how to measure and improve

The analysis of marketing performance management literature allows a certain delimitation of marketing performance domains, in the context of several authors proposing different approaches, more or less detailed or comprehensive. Some authors build their discourse on a specific domain (such as customer satisfaction), whereas others treat marketing performance by using different dimensions. In some cases, scholars suggest models for measuring and improving marketing performance.

We believe a model that is highly complex in this context is the model proposed by Rust et al. (2004a), built upon the concept of marketing productivity, a concept that refers to how marketing activities lead to creating value for shareholders. The model of marketing productivity enables the analysis of how the non-financial marketing indicators lead to short and long term financial results, the premises of the productivity chain being the following (see Figure 1):

**Figure 1. Marketing productivity chain** (Rust et al., 2004a, p. 77)
• Marketing strategies, and implicitly, marketing tactics impact on the customers (in terms of attitudes, behavior, satisfaction etc.);
• The impact on the customers influences firm position on the market;
• Firm competitive position determines the financial results and, consequently, impact of marketing on value for shareholders.

Measuring marketing performance must be done at all these levels and, ideally, must reflect correlation among them to finally enable the evaluation of marketing impact on financial results and shareholder value. In what follows, we will analyze each of the levels in the marketing productivity chain, exploring the most popular concepts and measurement practices corresponding to these domains.

3.1. Strategic marketing performance

Marketing’s strategic role refers to contributing to defining the strategic direction of the firm and directing marketing investments so as to create sustainable competitive advantage (Rust et al., 2004b). In this context, performance analysis of marketing strategies should enable the understanding of how marketing decisions influence financial results and their consequences on the firm’s cash flow. Thus, at this level, the firm needs marketing strategy analysis models which are more complex than the simple input - output analyses and can offer answers to questions such as: When can the brand asset be used to obtain a price premium? Can the value of marketing research be quantified in terms of more efficient processes within the supply chain, for example? (Rust et al., 2004b, p. 78).

An important element in the context of measuring marketing strategy performance is represented by the marketing audit. Kotler et al. (1989) define the marketing audit as a comprehensive, systematic, independent and periodical examination of the marketing environment, objectives, strategies and activities with the purpose of determining issues and opportunities and recommend a plan for improving the company’s marketing performance. The authors advise that the marketing auditor must verify if the marketing strategy and objectives are well formulated and adequate in the context of the company’s threats and opportunities. In what concerns the benefits of a marketing audit, Taghian and Shaw (2008) have proven that conducting such an audit and implementing the recommendations may result in a positive change of market share, but for such a change to happen, the audit must be periodical, not occasional.

3.2. Tactical marketing performance

Measuring and managing marketing performance at tactical level refers to the marketing mix. Ambler argues (2003) that to explore performance at the level of particular elements from the marketing mix is as sensitive as the analysis of directions when one does not know where to head to. Instead, we have to analyze the complete marketing mix and context. The categories identified by the author as being relevant from this point of view are:
Table 1

<table>
<thead>
<tr>
<th>Marketing mix dimension</th>
<th>Performance indicators</th>
<th>Comments / Cautions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising</td>
<td>$ Cost per thousand</td>
<td>Allocating advertising budget</td>
</tr>
<tr>
<td></td>
<td># Gross rating points</td>
<td>Analyzing campaign results and separating them from other marketing mix elements</td>
</tr>
<tr>
<td></td>
<td># Frequency of exposure</td>
<td></td>
</tr>
<tr>
<td>Online and direct marketing</td>
<td># Page views</td>
<td>The ease of monitoring in all stages (prospecting, purchase, re-purchase)</td>
</tr>
<tr>
<td></td>
<td># Visits</td>
<td></td>
</tr>
<tr>
<td></td>
<td>% Conversion rate</td>
<td></td>
</tr>
<tr>
<td>Public relations</td>
<td>$ Cost per event</td>
<td>PR techniques differ from advertising, but objectives are similar</td>
</tr>
<tr>
<td></td>
<td># Exposures per event</td>
<td></td>
</tr>
<tr>
<td></td>
<td># Positive media exposures</td>
<td></td>
</tr>
<tr>
<td>Loyalty programs</td>
<td>% Participation rate</td>
<td>Differentiate based on client categories</td>
</tr>
<tr>
<td></td>
<td># Purchase frequency</td>
<td></td>
</tr>
<tr>
<td>CRM and customer service</td>
<td># Customer engagement</td>
<td>Synergy between people and technology</td>
</tr>
<tr>
<td></td>
<td>% Customer satisfaction level</td>
<td></td>
</tr>
<tr>
<td>Sales promotion</td>
<td>$ Cost per promotion</td>
<td>Difficulty to create loyalty and long term relations</td>
</tr>
<tr>
<td></td>
<td>% Coupon conversion</td>
<td></td>
</tr>
<tr>
<td></td>
<td># Samples</td>
<td></td>
</tr>
<tr>
<td>New product development</td>
<td>% Revenue from new products</td>
<td>Difficulty to evaluate innovation from a quantitative perspective</td>
</tr>
</tbody>
</table>

Source: Ambler (2003).

Reibstein et al. (2006) offer in their book titled “Marketing Metrics: 50+ Metrics Every Executive Should Master” a comprehensive collection of tens of marketing performance indicators. Based on a taxonomy of marketing mix activities, each indicator is broadly described in terms of definition and calculation, as well as limitations and aspects that need to be considered when using it. This is probably the most exhaustive catalogue of marketing performance indicators in the specialized literature. Essentially, it envisages marketing mix elements (product, price, promotion, distribution), customer portfolio (profitability, satisfaction etc.), market analysis and marketing impact on financial results (see Table 2).

In the services domain, performance has mostly been studied from a service quality perspective. In this context, the most popular model is SERVQUAL, proposed by Parasuraman et al. (1988) and refined in the following decades. SERVQUAL relies on measuring customer service expectations and customer service perceptions’ based on five dimensions: credibility, responsiveness, assurance, empathy and tangibles, service quality being a function of the magnitude of the gap between expected service and perceived service (Idem).

Another similar approach is the SERVPERF model that was proposed as an alternative to SERVQUAL. This model conceptualizes not only the quality of service, but also the relationship between service quality, customer satisfaction and purchase intentions. It is argued that service quality is an antecedent of customer satisfaction and that customer satisfaction has a significant impact on purchase intentions, but service quality has a less significant impact on purchase intention than customer satisfaction has (Cronin and Taylor, 1992 in Gilmore and McMullan, 2009).
3.3. Measuring the impact of marketing activities on consumer behavior

The impact of marketing activities on consumer behavior and attitudes cannot be ignored, a series of dimensions being essential in this context (Ambler et al., 2002, in Rust et al., 2004):

- Awareness – the ease at which consumers recognize the firm and its products;
- Associations – strength, favourability and uniqueness of the firm and brand attributes;
- Attitudes – global evaluation of the firm and brand in terms of quality and satisfaction;
- Engagement – loyalty for the firm and the brand;
- Experience – the extent at which consumers use the product, speak about it, search for information or promotions etc.;

Reibstein et al. (2006) introduce the “awareness – attitudes – consumption” chain as a hierarchy of effects of the marketing activities on the customers (see Figure 2):
Gupta and Zeithaml (2006) analyze consumer behavior performance indicators, grouping them in two categories:

- Observable indicators, which measure visible purchase and consumption behavior (such as new clients acquired, client retention, frequency of purchase etc.);
- Non-observable indicators, which measure perceptions (e.g. quality of service), attitudes (e.g. customer satisfaction) or intentions (e.g. purchase intentions). Usually, these types of indicators are measured by means of surveys.

The model proposed by these authors reflects the links between the marketing activities, impact on consumer behavior and financial results, being therefore a somehow simplified productivity chain (see Figure 3). Our addition to the original figure (link in blue) reflects that what firms obtain in terms of financial results leads to what firms do in a subsequent cycle, as in most of the cases, marketing strategies and actions are influenced and recalibrated by the results from previous planning and execution cycles.

One of the most popular marketing performance indicators is customer satisfaction, some of the reasons probably being its generic construction and universal
applicability, both for goods and services, and both for firms and non-profit and public sectors. Event though it does not have a unanimously accepted definition, satisfaction can be easily understood by customers and easy to communicate to managers. In general, customer satisfaction measures the customers’ perception related to the extent at which the product fulfills their expectations (Gupta and Zeithaml, 2006). Nigel Piercy (1996) argues that, in the area of customer satisfaction measurement, literature has focused mostly on developing satisfaction concepts that can be quantified and on developing systems for data collection and reporting, whereas research firms have focused on offering a variety of surveys, focus groups and technology solutions to manage this process. Nevertheless, the vital issue of measuring the impact of customer satisfaction on the internal processes (service strategy, employee behavior and so on) has been neglected.

More recently, a new indicator called Net Promoter Score (NPS) is being promoted as a simple and efficient method for measuring customer satisfaction. Reibstein et al. (2006) name this indicator as “willingness to recommend”, as it aims to measure the customers’ willingness and likeability to recommend the product or the firm to people they know. The method has been developed and proposed by Satmetrix Systems and Bain & Company, in collaboration with Reicheld (2006-2011). Essentially, each firm’s customers are divided in three categories: Promoters (who are enthusiasts with the product and would recommend it), Detractors (who are not satisfied and can influence negatively what is being said in the market about the product) and Passives (who do not experience dissatisfaction with the product, but are vulnerable to competition). Taxonomy is done based on a survey that consists of a single question - How likely is that you would recommend the product to a friend or colleague? – with Likert scale answers from 0 to 10 (0 - not at all likely, 10 - very likely). Although calculation is facile and although it has been widely adopted by companies worldwide (such as General Electric, Symantec etc.), other authors appreciate that arguing that NPS
can be the single marketing measure necessary to top management is not supported by empirical evidence (Pauwels et al., 2009), nor is it conformant with the rigors of academic research (Gupta and Zeithaml, 2006).

In general, it is argued that indicators that measure perceptions and attitudes (non-observable indicators, as defined by Gupta and Zeithaml, 2006) are premises for observable behavior. The authors (2006) suggest three observable indicators of consumer behavior of critical importance in marketing performance measurement:

- Customer acquisition - when a customer (or even lost customer) acquires a product from the firm for the first time;
- Customer retention - refers to the probability of retaining customers and that they continue buying from the firm;
- Cross selling - when the firm tries to sell complementary products to existing clients.

Another important indicator in this context is customer loyalty. This requires a particular attention since although it is commonly defined as the percentage of customers that have a certain frequency of purchase, some other take the analysis further, suggesting that:

- Loyalty implies a solid commitment to continue purchasing a preferred product, despite situational factors and despite pressure from competitors (Oliver, 1999);
- The existence of loyalty is indicated by a set of behaviors that signal motivation in the relationship with the company, including a high “share of wallet”, repeat purchases and recommendations (Zeithaml et al., 1996, in Gupta and Zeithaml, 2006).

3.4. Marketing assets (clients and brand) performance

3.4.1. Measuring and managing brand performance

The asset represented by the brand, also know as brand equity is considered to be a concept so complex that there are difficulties in the very fact of describing it. Tim Ambler (2003) emphasizes on the difference that should exist between the asset (brand equity) and its measurement (brand value). The brand concept started being popular in 1991, when Aaker proposed five dimensions of the brand as marketing asset: brand loyalty, brand awareness, perceived brand quality, other brand associations (besides quality) and intellectual property (Ambler, 2003).

Keller defines (1998) the brand asset as the added value to the product given by what consumers think, speak and act. The sources of brand value generally emerge from what consumers know of the brand – brand knowledge, which refers to the thoughts, perceptions and experiences of consumers with the brand (Keller, 1998). Two important components of the brand knowledge are the brand awareness and brand image. For calculating these brand measures, both qualitative techniques (open questions such as “What does Rolex watch represent for you?” and prospective techniques that use comparison or interpretation tasks), and quantitative techniques (usually with scales) are employed. Quantitative techniques usually explore evolutions in terms of brand awareness, recognition and recall.
In what concerns the benefits or the impact the brand has on firm success, the areas of added value are diverse: differentiation, increased customer loyalty, decreased vulnerability of customers to competition, lower price sensitivity (Keller, 1998). These are usually measured by means of comparison analyses consisting of experiments that analyze consumer responses to changes in marketing actions and changes in brand identification elements.

In a more holistic context, another brand performance concept is brand valuation, meaning the quantification of brand value in monetary terms, especially in situations where it is necessary for mergers, acquisitions or licensing.

A popular methodology in this context is Interbrand’s *Brand Strength*, which represents the score obtained by the brand at ten criteria: internal commitment (brand investments), legal protection, clarity of positioning, responsiveness to market changes, authenticity, relevance to consumer needs, consumer understanding of brand traits, consistency, presence and differentiation (Interbrand, 2011).

The research firm Ipsos-ASI introduces the concept of *Brand Health*, composed of three dimensions: Brand Asset (perceptions in terms of Relevance, Popularity, Clarity, Uniqueness and Familiarity), Consumer Engagement (Brand sensitivity, Substitutability) and Price / Value ratio (Price comparison, Price evaluation) (Walker, 2002).

Finally, Young and Rubicam use the *Brand Asset Valuator* methodology, according to which brand value is determined by the following dimensions, based on the stage in brand life cycle: differentiation (first generator of value), relevance (as the brand matures) and to create long term engagement, esteem and brand knowledge are crucial (Ambler, 2003).

### 3.4.2. Measuring and managing customer asset performance

More recently, attention has been transferred from the brand to the customer, as final beneficiary of the product or service. Bălan (2007) argues that companies that aim to exploit at full the relations with their customers must monitor a very important indicator - customer lifetime value (CLV), defined as the net present value of future cash flows generated by a client. Research in the area of CLV has known different approaches. For example, Reicheld suggests that client retention is the most important factor in maximizing client value, whereas Reinartz and Kumar suggest that customers with high lifetime are not necessary the most valuable (Gupta et al., 2006). The calculation formula for the customer lifetime value is the following:

\[
CLV = \sum_{t=0}^{T} \frac{(P_t - C_t)r_t}{(1 + i)^t} - AC
\]

- \( P_t \) = price paid by the customer at moment „t”;
- \( C_t \) = cost of serving the customer at moment „t”;
- \( i \) = cost of capital (discount rate);
- \( r_t \) = probability that the customer purchases at moment „t”;
- \( AC \) = cost of customer acquisition;
- \( T \) = time horizon for estimating CLV.
Pelău and Fufezan (2009) propose an innovative approach to measuring customer lifetime value that aims to surpass the relatively static character of the common approaches prior suggested. Essentially, the authors introduce the concept of “dynamic value of a customer”, as a function of ten variables (both monetary, such as revenues or costs corresponding to that customer relation and non-monetary, such as frequency of purchase or recommendations made by the customer), each variable having a “weight” in an average, based on its importance in the overall function.

Although it is difficult to accurately calculate it in practice, customer lifetime value is an important indicator for identifying profitable customers and allocating resources accordingly.

In the context of maximizing customer lifetime value, share of wallet and customer equity, an aspect that must not be neglected refers to relationship marketing. In the area of relationship marketing, it is argued that the use of performance measures serves various purposes, such as: help organizations use resources more effectively by allocating them differently to various customers and identifying deviations from objectives, setting priorities for marketing efforts and supporting rewards policies based on comprehensive information (Lages et al., 2008). In other words, performance management can support constant monitoring and improvement of relationship marketing. Lages et al. (2008) suggest a scale for measuring relationship marketing performance, based on five dimensions:

- Relationship practices and politics (ground rules of the relationship);
- Trust (i.e. the willingness of one side to rely on the other side in the relation);
- Commitment (i.e. the desire to develop long term relations, even at the expense of short term sacrifices);
- Mutual cooperation (i.e. when each side thinks it will have greater benefits through cooperation, rather than independently);
- Relationship satisfaction (determined by cognitive and affective evaluations at all phases of the relationship).

Each of these dimensions is evaluated using a unique set of questions with answers in scale. Although useful, this approach may have two limitations: on one had, the scale being addressed solely to customers, it only reflects their perspective on the relationship, neglecting the providers’ perspective; on the other hand, answers may be too diluted, if not transformed in indicators, with targets, correlated to the company’s objectives and monitored in time. Moreover, Gupta and Zeithaml (2006) argue that aspects such as trust and commitment are difficult to qualify, reason for which these measures have know a low popularity among companies and researchers.

3.5. Measuring market performance

Results obtained at brand and customer levels determine, by comparison to competitive firms and brands, the company’s performance and position in the market. The most popular market indicator is the market share, defined as the percentage of the market accounted for by the firm, whether in terms of sales volume, or in terms of sales.
value (Reibstein et al., 2006). Other performance measures that reflect market performance and are somehow derived from the market share are:

- Relative market share (the firm’s sales, as a ratio from the sales of the market leader);
- Market share rank (the position of the firm in the hierarchy of the market shares of the main competitors).

In this context, we would outline two limitations that are very common in analyzing market performance. The first one refers to the actual definition and identification of the target market and the second one refers to having access to accurate data from the market, related to the sales figures of the other firms.

### 3.6. Marketing impact on financial performance

Marketing performance analysis is only complete when there is an evolution of the marketing efforts from a financial perspective. The most popular performance indicator in this context is the return on marketing investment (ROMI). Rust et al. (2004b) propose a model for analyzing the return on marketing investments from a long term, strategic perspective and not just to calculate the financial results obtained from a marketing program or campaign. Although in general ROMI is used to comparatively analyze different investment options or possible allocations of the marketing budget (Ambler, 2003), Rust et al. (2004b) consider ROMI as the ration between the increase in customer equity generated by the marketing investment and the value of the investment itself.

Another perspective to analyze marketing impact on financial performance is given by the shareholder value theory, which argues that the purpose of any business is to generate value for the shareholders, value which represents the cash flow expected from implementing a particular strategy. The value of the cash flow that a brand or firm has the capacity to generate is a function of four factors: volume of the cash flow, the speed at which it is created, the time it will flow in the firm and the risk associated to these future in-flows (Doyle, 2001). It is argued that successful brands have the capacity to obtain a price premium (thus a high level of cash flow), faster response from the consumers (thus a higher speed of in-flows), as well as lower vulnerability in front of competitors (thus lower risks). Therefore, brand performance has the potential to determine financial performance in the sense of creating shareholder value.

### 4. Conclusions and implications

Exploring recent literature on marketing performance management, our paper offers a holistic view on the subject, bringing together different approaches of various authors in the field. Based on the model proposed by Rust et al. (2004a), we explore marketing performance management domains, starting with marketing strategy, to operations (marketing mix), marketing assets and marketing impact on financial performance.
From a theoretical perspective, we contribute to the marketing performance stream of literature, enriching existing knowledge with an articulate synthesis and discussion of existing concepts and models. In the literature developed in Romania, from our best knowledge, this may be one of the first research efforts to address marketing performance management as an overarching process.

From a practical perspective, our paper offers insights for marketing managers and professionals interested in measuring and improving marketing performance, a domain that is rather young in Romanian organizations. Key concepts are identified and discussed and comprehensive lists with marketing metrics are presented, all these being useful resources for any professional interested in marketing performance. We believe that as marketing matures in Romanian organizations, performance management practices will play a major role. In this context, we echo calls for academic research to contribute with further studies in this field.

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Management & Marketing


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