University of St.Gallen
Institute for Marketing and Customer Insight

Sven Reinecke and Alexander Tombach

Marketing Management Control

Marketing Metrics, Marketing Analytics and Controlling Instruments to Ensure Effectiveness and Efficiency in Marketing Management

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Ensuring, Optimizing and Demonstrating Marketing Performance

Marketing management control has long been a central bottleneck in marketing, both in company practice and scholarly research. Although marketing and management control are central management philosophies, there are often gaps at the interface between the two concepts. This has to do with both the competencies and the preferences of the managers and researchers involved.

In this publication, we show how to ensure the effectiveness and efficiency of marketing management. While we do present the most important framework conditions, bottlenecks and basic principles of marketing management control, we do not claim to be exhaustive and focus on those aspects that have proven to be particularly relevant for corporate practice in the context of executive education at the University of St. Gallen (HSG).

This book is based on over 25 years of research and application experience at our institute. Numerous proven basic contributions have been combined with current contributions on topics such as artificial intelligence, marketing analytics and marketing mix modeling. This results in a concise structure of marketing management control - with a clear focus on application and action orientation.

Enjoy reading – and thank you very much for your constructive feedback at Sven.Reinecke@unisg.ch!

Sven Reinecke *Alexander Tombach*

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Part 1: Foundations of Marketing Management Control

1 The Pursuit of «Return on Marketing Investment»

For many companies, marketing is an area with high investment amounts, which is why the question of measurability is highly relevant (Hanssens & Pauwels, 2016; Mintz & Currim, 2013; Morgan et al., 2022; Rust et al., 2004; Reinecke, 2004). Chief Marketing Officers (CMOs) face increasing pressure to demonstrate the value of marketing to other company board members (Moorman & Finch, 2022). In a current study, 99% of CMOs and brand managers indicate that the proof of *return on marketing investment* is an issue that "keeps them up at night" (Marketing Charts, 2023). If top management views marketing as a cost center rather than as an investment center, the stature of marketing within the company is significantly weakened (O'Sullivan & Butler, 2010). Therefore, consistent with the shareholder value notion, marketing must develop the capability to demonstrate its value to top management (Hanssens & Pauwels, 2016). Scholars and management consultants have developed various methods and approaches to help managers ensure and demonstrate both effectiveness and efficiency in marketing (Bauer et al., 2016; Pauwels & Reibstein, 2023; Reinecke & Janz, 2007; Stewart & Gugel, 2016).

This book illustrates the key instruments of effective marketing management control in the context of the advanced technologization and digitalization. Possibilities and limitations of each control instrument are discussed. In addition, it was examined which marketing management control instruments, processes and metrics are actually deployed by companies. The results of a standardized, written online survey conducted by the University of St. Gallen (HSG) in spring 2024 are cited in the respective topic chapters and serve as a critical evaluation of marketing management control in company practice.

2 Marketing Management Control as Ensuring the Effectiveness and Efficiency of Marketing

Marketing management control is a standard interface of two business administration areas, which have an ambivalent relationship with each other – marketing and management control. On the one hand, they are characterized as twin sisters because both are overarching concepts that should not be the privilege of individual experts (Deyhle, 1988, p. 15). On the other hand, a natural conflict of goals and interests arises when marketing is seen as "management from the market" and management control as "management from the result".

However, Horváth (1985, p. 13) underlines an essential, generally accepted difference between marketing and management control: marketing as a direct management task includes decision-making, whereas management control "merely" performs a decision-supporting task. Yet, management control is seen as an intrinsic management function (Figure 1), which is performed in close cooperation between managers and controllers. In other words, management control is not (only) carried out by controllers, but in particular by management.

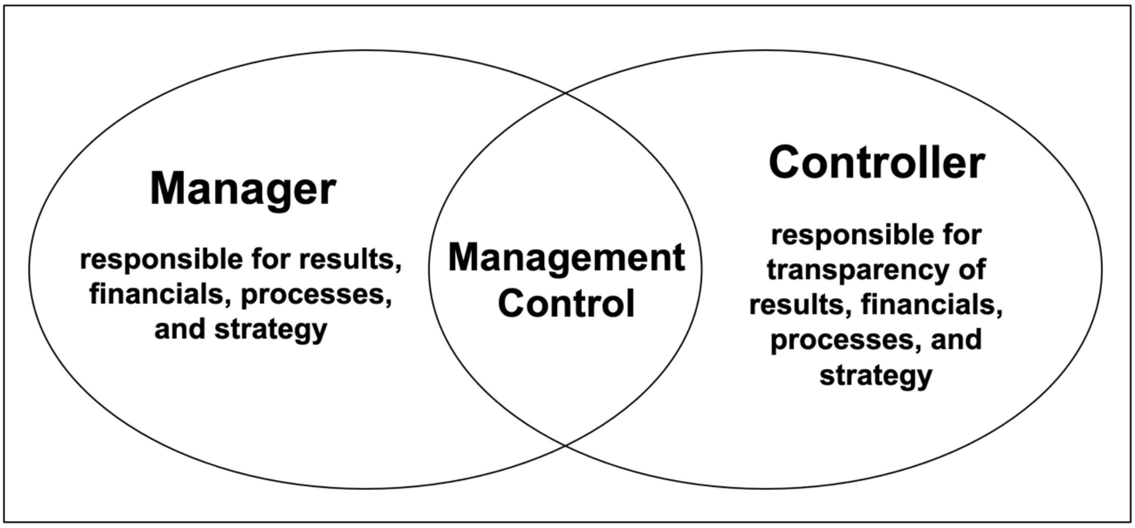

Fig. 1: Management control as a joint task for managers und controllers
Source: based on Internationaler Controller Verein e.V. 2007, p. 15.

However, marketing management control should by no means be equated with accounting in marketing, even if the latter is an essential source of information. Rather, the function of marketing management control is to ensure the effectiveness (efficacy) and efficiency (profitability) of market-oriented corporate management (Reinecke & Janz, 2007, pp. 38). Thus, two central questions guide marketing management control efforts: Are marketing objectives attained and how efficiently was the marketing output realized?

Without going into conceptual discussions in detail here (see Lasslop, 2003, pp. 8 and Bonoma & Clark, 1988), effectiveness and efficiency are understood as follows (Fig. 2): Effectiveness in a broader sense refers to the efficacy of a given strategy – thus, whether the selected strategy is the “best” one. Effectiveness in the narrower sense defines the degree of effectiveness: Is the objective attained above a pre-defined target level? Efficiency describes the degree of economic viability. An action is efficient if it achieves a better output-input ratio than all alternative courses of action, whereas the output-input ratio must be at least one to be considered as a positive outcome (Bonoma & Clark, 1988; Reinecke, 2004).

In the following, marketing is used as an overarching term that includes sales as a sub-instrument – in this respect, marketing management control also entails sales control.

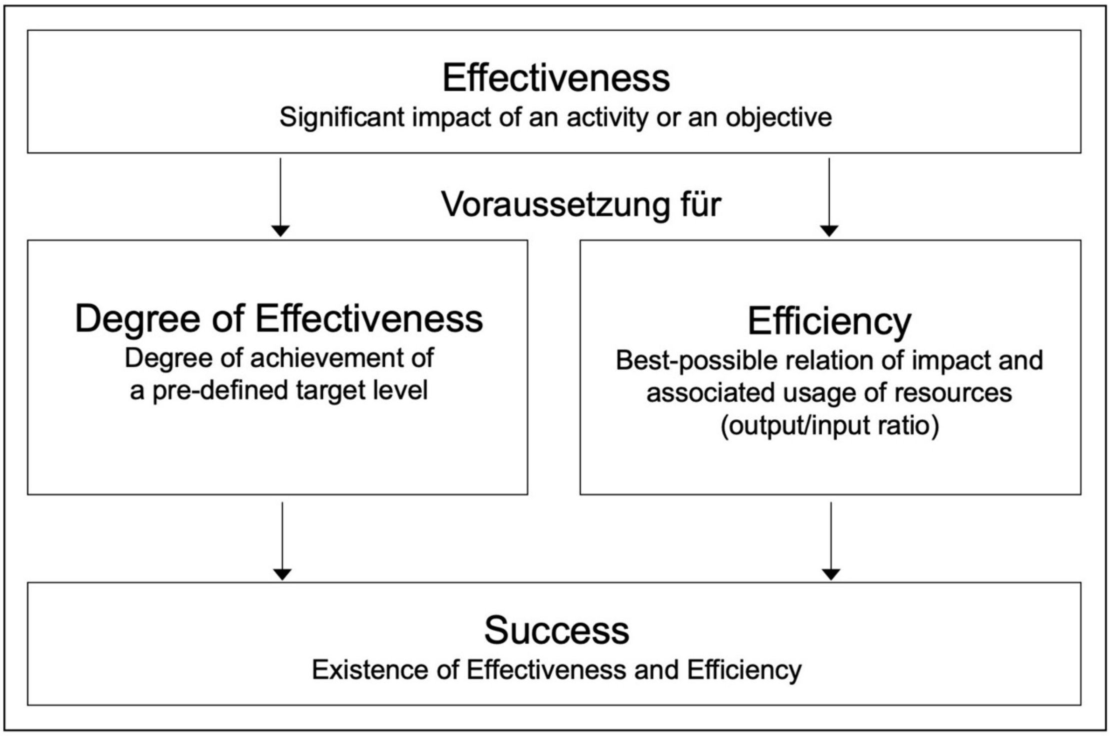

Fig. 2: Relationship between effectiveness, efficiency, and success
Source: Reinecke & Janz, 2007, p. 39, based on Lasslop, 2003, p. 12.

3 Marketing Management Control Tasks

The control loop of marketing decisions can be outlined as follows, based on the St. Gallen Management Model (Rueegg-Stuerm & Grand, 2020; Ulrich & Krieg; 1972) and literature on management control (Reinecke & Janz, 2007; Weber, 1999; Weber & Schäffer, 2022 (see Figure 3):

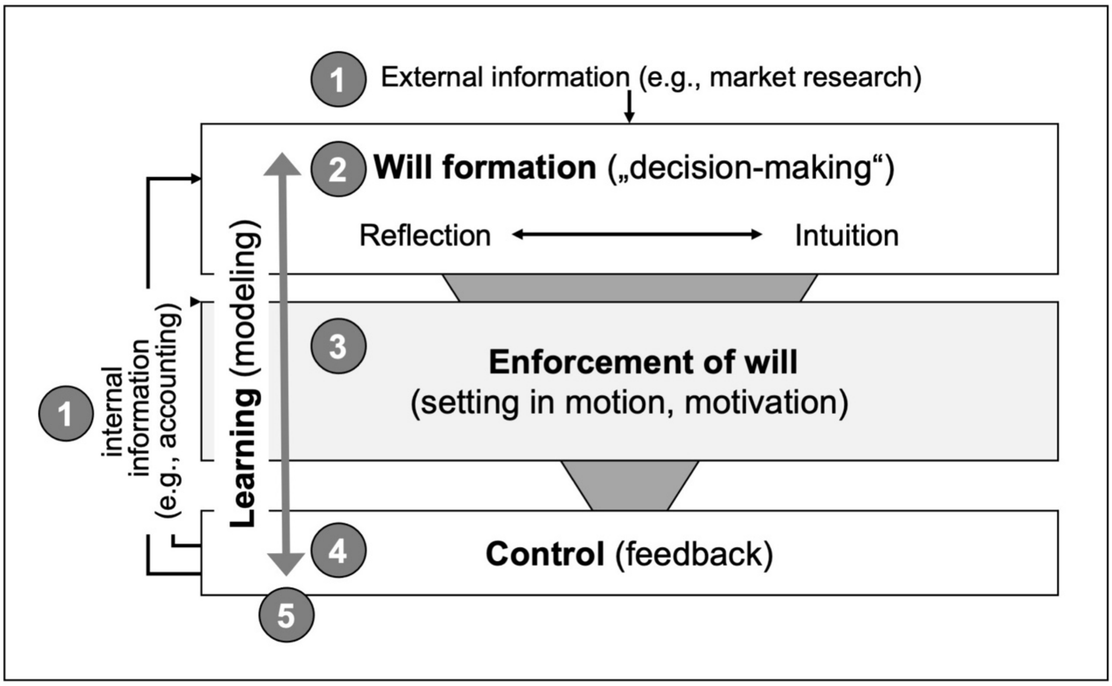

Fig. 3: Marketing Decisions – the Control Loop
Source: Reinecke, 2020; based on Reinecke & Janz, 2007; Ulrich & Krieg, 1972, Weber, 1999.

In terms of rationality deficits (Weber & Schäffer, 2022), a total of five marketing management control tasks can be derived from the control loop.

1) Information supply: Before a decision is made, it is critical to provide a sufficient information base. Improving the level of information is a central and ultimately the original function of management control (Horváth et al., 2024).

On the one hand, external information about customers, competitors, sales intermediaries and influencers, but also about society, technology and politics is relevant. In marketing, this information is often provided through market research.

On the other hand, management must be provided with internal company data, for example from human resources, production, logistics, but especially from accounting. Historically, the latter has been a major bottleneck in marketing (keywords: contribution margin accounting, cost unit accounting, pre- and post-calculations).

2) Decision making: Decision-making is one of the most important management tasks. Decisions can be based on planning, following standard *reflective* practices. The rational information-processing procedure of planning is defined as a "systematic, future-oriented assessment and determination of goals, measures, means and ways of achieving future goals" (Wild, 1974a, p. 13). Planning is primarily based on reflection, but also requires intuition depending on the knowledge available (Weber & Schäffer, 2022, p. 301). The planning process in marketing is based – at least in theory – on marketing concepts: "A marketing concept can be understood as a coherent, holistic plan of action ('roadmap'), which is oriented towards desired goals ('desired locations'), selects suitable strategies ('route') for their realization and determines the adequate marketing instruments ('means of transport') on their basis." (Becker, 2001, p. 5) Marketing concepts are therefore basic decision-making grids (Weinhold-Stünzi, 1999, p. 109); they are generally based on a well thought-out system that increases reflection in the context of decision-making.

The second source of decision-making is the use of intuition by managers – in other words their instinct or "gut feeling".

In recent years, there has been an intensive discussion in the field of decision-making behavior as to whether intuition should be seen as a heuristic that contributes to fast and efficient decision-making (Gigerenzer et al., 2011; Gigerenzer et al., 2022; Luan et al., 2019), or whether intuition rather tends to lead to decision deficits ("biases") and thus to non-rational decisions (Eppler et al., 2023; Kahneman, 2003; Tversky & Kahneman, 1974).

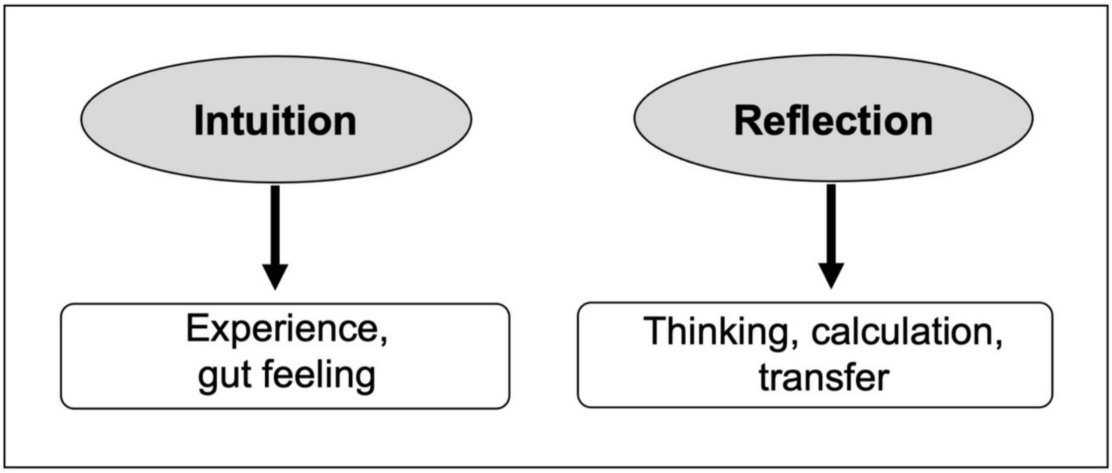

Fig. 4: Decision Development in Marketing & Management
Source: Reinecke, 2020.

The task of marketing management control is to ensure a balanced mix of intuition and reflection when making marketing decisions (Figure 4). Data-based models can quantify uncertainties and risks based on historical data, create unbiased forecasts and refute hasty management decisions (Hanssens & Pauwels, 2016, p. 184). At the same time, such models are often unable to take account of new and unusual situations, as they are too rigid to take sufficient account of changing conditions (Blattberg & Hoch, 1990). Management experience and intuition are therefore of great importance, especially in dynamic situations (Hanssens & Pauwels, 2016, p. 184). Experienced managers can anticipate developments at an early stage and assess their significance for their own business area (Blattberg & Hoch, 1990, p. 898).

3) Decision enforcement: Strictly speaking, the execution of activities is not an actual management task, but the "setting in motion" (Ulrich & Krieg, 1972) and thus the motivation of those entrusted with the execution. In this respect, there is a close connection to personnel management ("leadership").

In order to ensure the implementation of management decisions in marketing and sales, personnel and organizational prerequisites must be created. In terms of personnel management, marketing management must address two challenges: First, the requirements of market-oriented corporate management must be translated into the personnel management system. Personnel selection and development make a decisive contribution to ensuring the necessary management quality (Müller-Stewens & Fontin, 1998).

Second, the objective and incentive systems in the areas of marketing and sales must be aligned with the formulated strategy. In principle, management has two different options for enforcing its will: on the one hand, the specification of instruments and paths (programming through a clear definition of input factors and processes), and on the other hand, objective and result-oriented coordination (see similarly Weber & Schäffer, 2022, pp. 54). Marketing management control supports marketing and sales management, for example, in deciding whether salespeople should be given a specific sales approach (e.g., number of phone calls, visits and quotations per week) or whether it would be better to simply set them a sales and contribution margin target – and leave it up to them to decide how to achieve it.

In marketing reality, this depends heavily on the corporate culture, but as a rule both methods are combined. Marketing management control is required to support optimization. The effectiveness of performance-related compensation systems is disputed (Armstrong, 1993, pp. 75; Burns & Kedia, 2006). It is therefore undoubtedly a major challenge to set up an appropriate system that actually has a motivating effect without triggering dysfunctional side effects (Armstrong, 1993, pp. 79), for example myopic management (prioritizing short-term payoffs at the expense of long-term performance) (Mizik, 2010). A result-oriented coordination of the integrated marketing mix – not just individual instruments – is one of the biggest still largely unresolved challenges in marketing (Tomczak et al., 2023, pp. 257).

Another task of marketing management control in the context of decision enforcement is to ensure the effectiveness and efficiency of the marketing structure and process organization (e.g., between sales and marketing, key account and product management as well as between the brand and performance advertising teams) (Becker, 2001, pp. 839 and Tomczak et al., 2023, pp. 290). Cross-functional coordination is also required. It must be ensured that, on the one hand, marketing and corporate planning and, on the other, marketing control and general management control are aligned (examples: shareholder value orientation of all functions, balanced scorecard).

4) Control: Controls are the comparison of an actual state with a specified target (Weber & Schäffer 2022, p. 293). In most cases, targets only make sense if they are controlled – and controls only make sense if they are backed by consequences. Applied to marketing, this means: Marketing control is hardly possible without marketing planning, and marketing planning without control is largely meaningless (see also Böcker, 1988, p. 22).

A clear bottleneck in marketing planning and control lies in the fact that in the field of marketing, executives often plan instruments, but not objectives or results. Marketing objectives are very rarely clearly operationalized as follows: "Increase (target direction) within 1 year (time reference) the unaided awareness (target type) of brand Y (object reference) from 20% to 35% (target extent) in group X (target group)." This makes effective control difficult.

A further challenge is the increasing potential of so-called "(Key) Performance Indicators (KPIs)", which often lead to the unstructured collection of metrics (information overload) from different sources (e.g., Google Analytics, Meta, electronic screentime measurements, contact data). The selection of relevant metrics remains a bottleneck both in general management (Siegwart et al., 2010) and in marketing (in detail Part 2, Chapter 7.1) (Reinecke, 2004).

5) Learning: This aspect of the decision-making process describes the use of control information to optimize the basis for future decision-making processes. It is therefore a matter of reviewing, on the one hand, the approach and decision-making methodology and, on the other, the design of competencies and incentives as well as personnel selection, deployment, and development for the future. This means that management and execution must be optimized by creating the necessary personnel and organizational conditions.

“Learning is not automatic. It requires a systematic examination of our experience” (Russo & Schoemaker, 2002, pp.198). From the author's point of view, this is the area in which the greatest deficit of traditional marketing management lies. Real learning processes are rare in many organizations: On the one part, this is due to the great variety and dynamism of the environment, and on the other part to the fact that marketing managers very frequently change jobs, particularly in stock-listed companies, and there is therefore insufficient continuity of personnel. However, the latter is an important prerequisite for learning processes "on the job". If a decision-making process is not repeated several times, for example, because a leading B2B trade fair only takes place every three years, then learning processes are limited, especially if they are not systematically recorded and used.

With this crucial deficit, the potential of information technology and especially of algorithms in marketing is very promising, as will be shown below (Part 1, Chapter 6).

4 Lines of Development in Marketing Management Control: From Control to Artificial Intelligence

Five central lines of development and trends have been pinpointed in marketing management control (Gleich, 2001, p. 11; Müller-Stewens, 1998, p. 37; Reinecke, 2004, p. 48). They indicate that rationality deficits, and thus central emphases, have shifted in recent years (see Figure 5)

- *Control target:* The accounting-related registration of deviations (ex-post control) is relatively declining in importance in favor of a management-oriented focus on improvement along the lines of a "control circuit" that promotes learning processes. This is by no means to suggest that marketing accounting is now a low priority. Significant rationality deficits in this area persist in many companies (consider the lack of customer contribution margin accounting, or the focus on sales volume as opposed to profitability). Although most companies possess an acceptable basis these days thanks to standard business software, the foundation for comprehensive control is often lacking because marketing management has not defined clear, operationalized objectives. Registration of deviations is thus a precondition for critical analysis and initiating learning processes by means of a causal analysis.
- *Alignment & format:* During the 1980s, marketing management control was basically regarded as internal monetary marketing accounting. Today, it is more outward-looking, focusing on the market and non-monetary factors such as the measurement and tracking of customer attitudes and brand strength. In this regard, a bottleneck is frequently present in institutionalized finance and accounting departments: "traditional" controllers tend to not have the (digital) marketing and market research skills necessary to measure and interpret the constructs central to marketing management. This produces a know-how bottleneck in many departments, resulting in a switch to external suppliers such as market research and consultancy firms as well as marketing agencies.
- *Time:* The purpose of marketing management control has evolved from a metric-based early warning system toward a rationality-based, action-oriented intelligence system (Krystek & Müller-Stewens, 1993, p. 21; Kuehn & Fasnacht, 2001). The central emphasis has thus moved away from single parameters indicative of threats towards the comprehensive interpretation of a blend of relevant parameters that are adapted around strategy. Moreover, marketing management control must not focus solely on metrics because these could always relate exclusively to snapshots of reality. Forward-looking marketing management control must also provide information not based on metrics in order to identify (substantial) trends and potential. The interpretation of data and the determination of recommended market-oriented actions are two of the central tasks of marketing management control.

- *Methods:* Marketing management control once revolved around static contribution margin accounting, but now numerous dynamic methods are being deployed, for example to determine future-oriented financial customer lifetime values and brand equities. Since they take account of the actual cash value of money, dynamic methods correspond more closely to the demands place on listed stock companies by the capital markets.

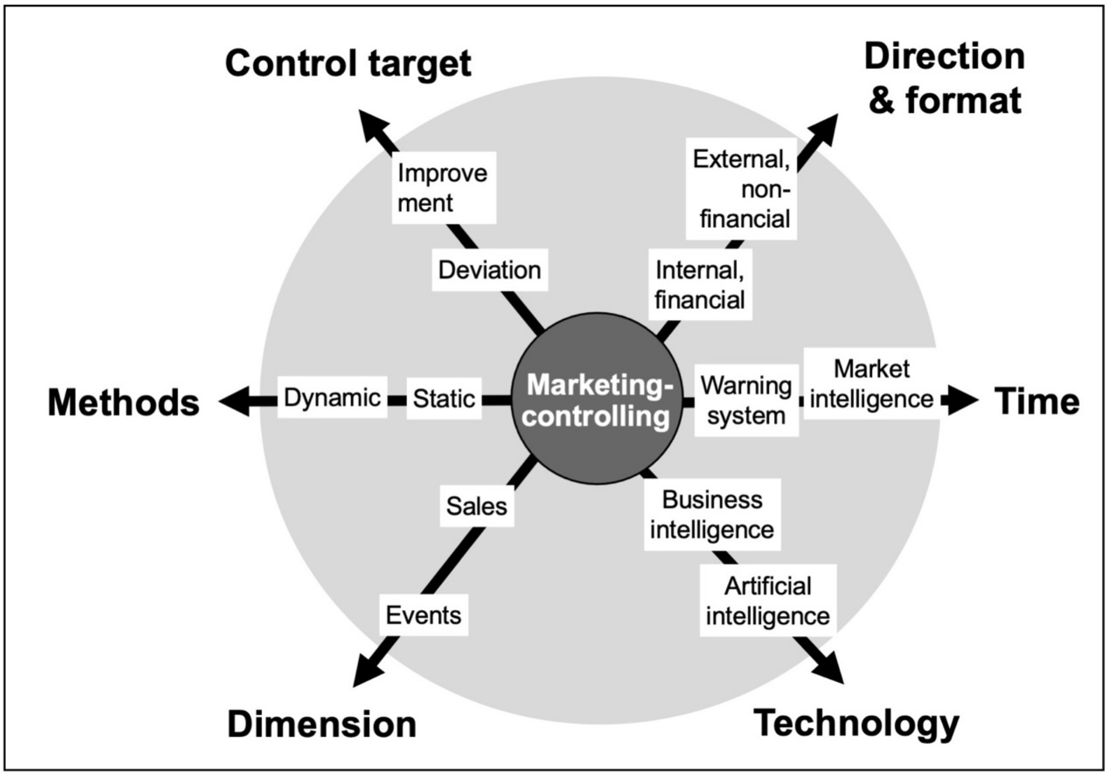

Fig. 5: Central Developments and Trends in Marketing Management Control
Source: own representation based on Gleich, 2001; Müller-Stewens, 1998; Reinecke, 2004, p. 48.

- *Dimension:* Given the surcharge calculations that used to dominate pricing, marketing accounting was able to focus on the target factor of sales for the sake of simplicity, as sales and profit contribution are linked. Modern marketing management control must take account of a more wide-ranging target system. First, modern and differentiated pricing methods call into question the correlation between sales and profit contribution (e.g., value-based pricing and price differentiation). As a growth indicator, sales does not capture profitability. Second, sales tends to be insufficiently differentiated as a metric. For instance, the performance indicator "sales per sales representative" is in no way indicative of the effectiveness of sales representatives; this would only be the case if the market potential of the relevant areas and all other influencing factors identical, something that is basically unrealistic (Krafft & Frenzen, 2006, pp. 624). Moreover, the impact on sales of a cinema advertising campaign, for example, can hardly be assessed based on reasonable commercial expenditure. Marketing planning and marketing control must therefore define clearly differentiated targets and/or events that facilitate the cause-related and more precise measurement of the effectiveness and efficiency of marketing activities. Sales is one of many factors to be taken into consideration and should not take priority.

- *Technology:* Marketing management control used to be primarily geared towards decision support in the sense of business intelligence. Due to artificial intelligence, however, certain decisions are already automated or autonomous, whereby management should also retain responsibility for such decisions (see Part 1, Chapter 6 for details). This will lead to major changes in the coming years.

5 Instruments of Marketing Management Control – An Overview

Marketing management control instruments (Table 1) are those methods and procedures used to ensure the effectiveness and efficiency of market-oriented corporate management; methods and techniques are therefore not control instruments by nature, but by their use.

Support of strategic marketing planning & strategic monitoring	Support of operational marketing planning & operational marketing control	Cross-management coordination tasks
• Early warning/detection/awareness systems • Industry structure analysis • Strengths/weaknesses profiles, benchmarking • Portfolios (e.g., concerning business units, customers, innovations, brands, product range) • Segmentation, image, and positioning studies • Customer & brand value calculations, brand strength analyses • Investment accounting • Long-term budgeting • Audit methods/ checklists • Control of core tasks in marketing (customer acquisition & retention, performance innovation & maintenance).	• Supply of information from market research, salesforce reports, sales statistics, marketing analytics, and accounting (e.g., customer satisfaction studies, contribution margin calculations) • Information on the planning and coordination of the marketing mix • Customer journey and sales funnel analyses • Short-term budgeting • Control of the marketing mix and tools: ▪ Product management ▪ Pricing ▪ Promotion, advertising & communication, social media management ▪ Sales and distribution • Management result and variance analyses • Complaint analysis	• Design of marketing performance measurement systems for marketing and sales • Design of incentive and commission systems • Target costing • Analysis, planning, and control of marketing and sales projects (e.g., revision of the brand portfolio) • Analysis, planning, and monitoring of marketing and sales cooperation • Knowledge management in marketing and sales (e.g., moderation of experience exchange, database with learning experiences)

Tab. 1: Selected methods and instruments of marketing management control
Source: own representation based on Köhler, 2006 und Reinecke & Janz, 2007, p. 56.

The outlined marketing management control tasks can be fulfilled with the deployment of a variety of instruments and methods. Selected examples are provided in Table 1. Such instruments can be used simultaneously for *information supply, planning and control of marketing*, which is why such stages of the management cycle have been summarized in the table. For example, positioning studies provide market information on the status quo of a company's own positioning on the one hand and support its planning on the other, for example by helping to answer which relevant needs are not currently being met with specific offers. Furthermore, these studies can also be used as a control and audit tool to check whether the current positioning corresponds to the desired target positioning.

The allocation of instruments to strategic and operative marketing tasks is not deterministic. For example, assortment analyses in high-tech business-to-business markets or in the pharmaceutical industry generally have a strategic, long-term character, whereas in food retailing they are also important in day-to-day operations. Whether an instrument can be classified as strategic depends on the extent to which it is suitable for significantly influencing the long-term orientation of the company in relation to the competition (from the customer's perspective). Instruments that support short-term, routine activities, such as annual budgeting, are assigned to the operational level. In the marketing literature, the marketing mix is also primarily assigned to this level, even though every marketing instrument ultimately influences both strategic and operational elements. For example, comprehensive price control includes both the strategic monitoring of the price image and the operational monitoring of price enforcement in the market.

In the following, the current use of strategic and operational marketing management control instruments in management practice is presented and analyzed. The study conducted by the authors, in which 154 managers from German-speaking companies (with a focus on Switzerland) took part, does not claim to be representative. Yet, the sample structure largely corresponds to the economic landscape characterized by medium-sized companies. The empirical study has been carried out regularly for years by the University of St. Gallen (HSG); thus, it is also possible to show some changes over time.

Traditional and proven strategic instruments such as *competitor-, industry- and customer satisfaction analyses* are used most frequently (see Fig. 6). *Strategic product and customer portfolios* are also widely adopted and, on average, already used by eight and seven out of ten companies respectively, at least irregularly. Similar to the results of a previous, comparable study (Reinecke, 2014), strategic portfolios are again used more frequently than strategic customer portfolios. This is surprising given the proclaimed "customer-centricity" initiatives of many companies and the increased focus on customer relationship management (CRM) or (key) account management (KAM). Products thus remain the dominant dimension in marketing management control.

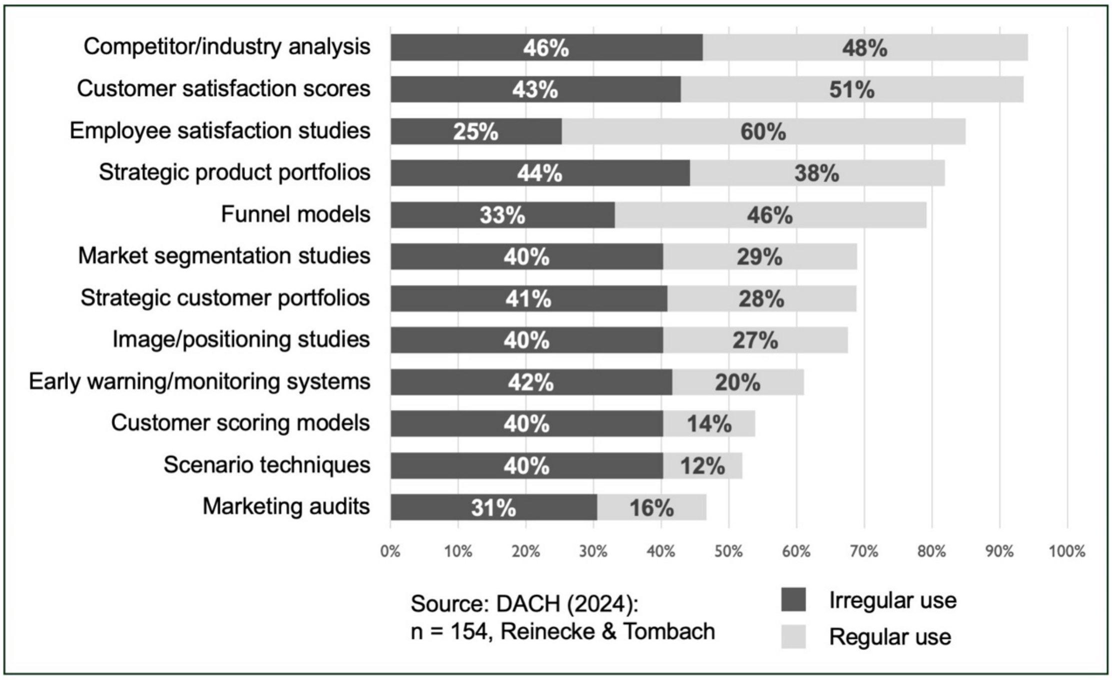

Fig. 6: Use of strategic marketing management control instruments in company practice
Source: own representation.

Funnel models are used in over 80% of the companies surveyed, even though they are ultimately based on very traditional concepts such as the AIDA formula. These funnel analyses (brand purchase funnel) are particularly popular in management consulting processes (Riesenbeck & Perrey, 2004, pp. 100; Bauer et al., 2016, pp. 40) and visualize weak points in the customer purchasing process in relation to key competitors: At which point in the benchmarking process is the churn rate exceptionally high? The static and sequential brand funnel has been developed into a more dynamic process analysis (Decision Journey Analysis) (Edelman & Singer, 2015) (in detail see Part 2, Chapter 2.2).

In contrast, the classic *scenario technique* is used irregularly. One reason for this could be the subjectivity and the associated perceived "esoteric character" of forecasts. When it comes to *market segmentation,* a major gap between science and practice is revealed: while the need for sound market segmentation is largely undisputed in the marketing literature, many companies refrain from using segmentation studies regularly. The results indicate that companies still have difficulties in successfully deriving marketing activities from market segmentation results (Belz, 2009, p. 79). *Marketing audits* are also not used regularly in many of the companies surveyed. Such a comprehensive, systematic, independent, and periodic examination of a company's or business unit's marketing environment, objectives, strategies, and activities serves to identify both challenges and opportunities and generate a profound action plan to improve marketing performance (see in detail Reinecke & Janz, 2007, pp. 146; Reinecke, 2021; see also Part 2, Chapter 2 of this book). Marketing audits are often initiated on a situation-specific basis, for example, when there is a management change in the board or the marketing unit. Hence, their irregular use in the companies surveyed is not surprising.

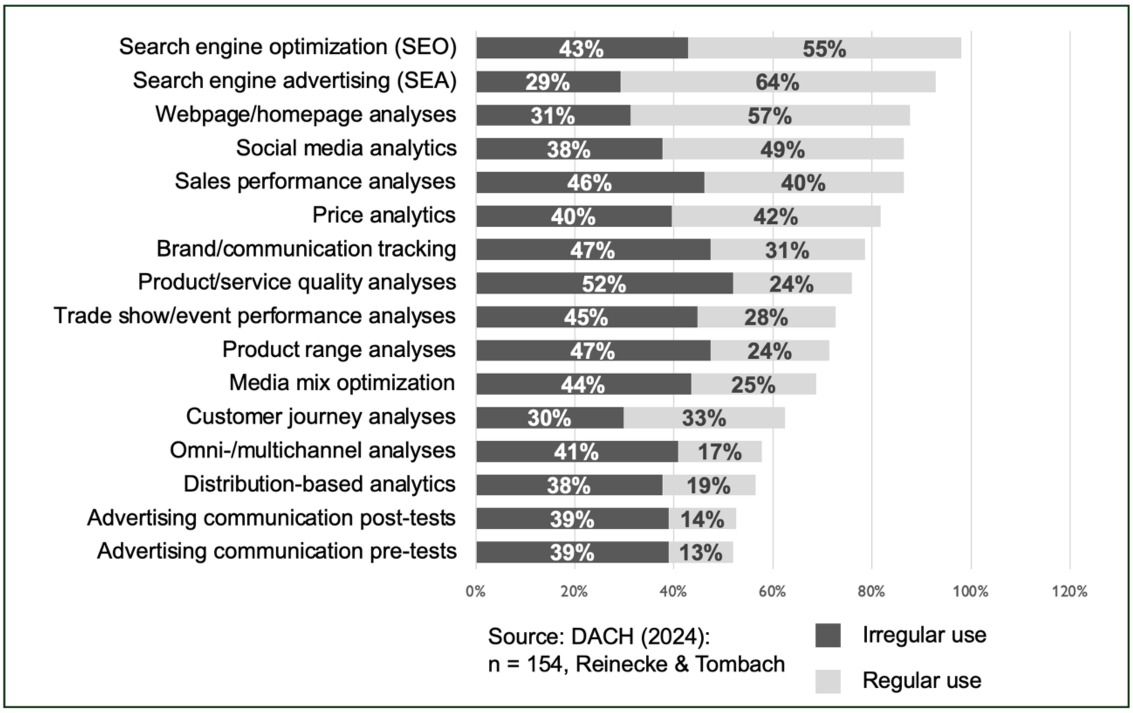

Fig. 7: Use of operational marketing control instruments
Source: own representation.

Operational marketing control primarily relates to the four classic marketing instruments. The study results (see Figure 7) show that online tools, so-called marketing analytics applications, are primarily used. This is likely driven by the increased share of digital marketing activities in the marketing mix (Moorman & Finch, 2022) and the easy access to standardized digital analytics tools (e.g., Meta Analytics, Google Analytics). The instrument-based management of company websites, online visibility for (potential) customers and social media channels is therefore common marketing practice.

Furthermore, prices are controlled at least irregularly in most companies. Professional price management can be a key competitive advantage, especially in times of high inflation rates, as it has a significant impact on profitability (Burkert et al., 2017; Krämer & Schmutz, 2020; Reinecke & Tombach, 2024). However, as the price is the customer's return for the product or service he or she receives, price analyses should always be interpreted in the context of the other marketing instruments (Reinecke & Noll, 2023). As the most expensive marketing instrument, the success of personal sales is also strongly controlled.

The results also outline a quite frequent analysis of the success of trade shows and events. Trade shows are often criticized for their limited effectiveness. Hence, increased control of these forms of "live communication" is reasonable – especially since many industrial companies spend over 50% of their marketing budget on trade shows and other live communication activities.

Except for social media communication, traditional marketing communication is only controlled intensively in a few cases. At first glance, this may seem surprising, given that communication still accounts for a large share of the overall marketing budget. However, the costs of professional advertising and communications control are relatively high, which is why it is mostly performed intensively by larger companies. Other reasons for the low adoption rate of advertising and communications control are likely the advanced methodological expertise required for it and fundamental reservations about the overall possibilities of conducting communications control. For example, *advertising pretests* are used regularly by 13% of the companies surveyed, although they are strongly recommended for large campaigns, at least to check the comprehensibility of the main message. *Ad hoc posttests* are used regularly by 14% of the companies. It is striking that only one third of the companies of the sample perform regular communication tracking, an essential foundation for professional brand management (also see Part 2, Chapter 5). Irregular tracking is less goal-oriented and only of limited use to enhance performance.

In summary, it is apparent that only those operational control instruments are used, which are already available from standard market research studies, online tools, quality management, or routine financial reports. Especially the implementation of *omni-/multichannel analyses* remains another area for improvement; in times of integrated marketing and distribution approaches, the authors identify a clear need for action.

6 The Influence of Artificial Intelligence on Marketing Management Control Tasks

With regard to artificial intelligence, three basic evolutionary stages can be distinguished (Wirth, 2018; similarly also Kaplan & Haenlein, 2019, p. 19): narrow, strong, and hybrid artificial intelligence. Narrow artificial intelligence is limited to a certain task (e.g., playing chess or optimizing prices in marketing) and cannot be extended to other tasks without human intervention. Strong artificial intelligence does not yet exist; it would be as powerful as human intelligence in the sense that it could solve new problems without human intervention. Most attention is currently focused on hybrid artificial intelligence, a hybrid form, which aims for the machine to be able to adapt independently to new challenges. Without going into the comprehensive overall scientific discussion on artificial intelligence at this point, the special feature of artificial intelligence is that these solutions are (increasingly) capable of learning to structure, substantiate, predict, and plan knowledge (Wirth, 2018, p. 436).

6.1 Data Analytics Maturity Model as Structural Foundation

The Gartner Data Analytics Maturity Model (2016), which is premised on Davenport and Farris (2007), is a suitable model for illustrating the stages and effects of marketing analytics, albeit a simplistic one. A total of four levels are distinguished:

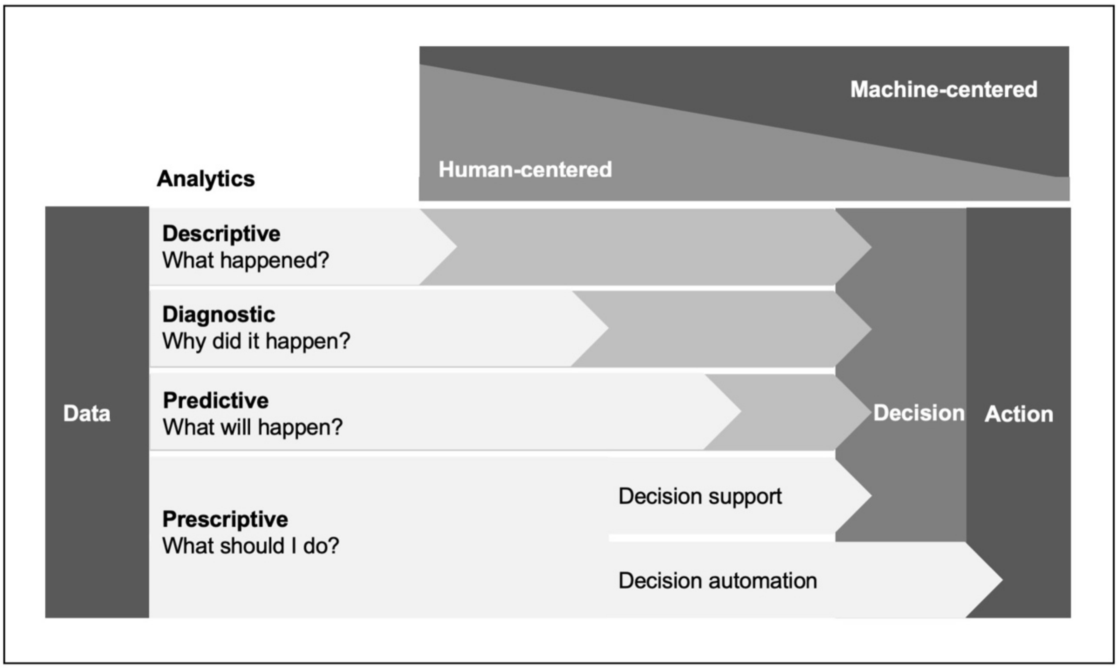

Fig. 8: Four Levels of Analytical Capabilities
Source: Reinecke, 2020, based on Gartner, 2016.

1. Descriptive analytics: This is about answering the question of "What happened?". In marketing, classic descriptive market research, such as the development of market sizes and shares, image, attitude and satisfaction measurements, is paramount.

2. Diagnostic analytics: The focus here is on the "why", i.e., the explanation of cause-and-effect relationships. Such a proof of causality is often done by experiments, in marketing for example A/B tests of websites or direct mails. Strictly speaking, four prerequisites must be fulfilled to prove a genuine. cause-and-effect relationship (Kreis et al. 2021, pp. 34):

• The two characteristic expressions, between which a theoretical relationship is assumed, vary together;

• The variation of the "cause" precedes the "effect" in time;

• Theoretical justification of the causal link (Hunt, 2002, pp. 127);

• Alternative explanations can be excluded.

However, marketing practitioners are often content with the first two conditions being satisfied – for example when conducting A/B tests.

3. Predictive analytics: At this stage, analytics are used to estimate or predict future data values based on existing, historical data (see Agrawal et al., 2018 for details). For prediction, this type of analysis relies on confirmed relationships between variables to derive a forecast (Hair Jr., 2007).

In predictive modeling, the set of existing data is split (for example, using k-fold cross-validation). Put simply, the first part of the data set is used to determine the model parameters (regression). The model parameters are then used to estimate the values of the dependent variable of interest – such as the development of demand or prices – for the second part of the data set. A comparison between the estimated values and the actual values makes it possible to evaluate the predictive power of the given model consisting of the hypothesized relationships (de Rooij et al., 2023, p. 132).

This shows that a simple extrapolation of data does not always have sufficient predictive power. The results of a regression model are not always predictive and transferable to other samples (e.g., future incidents), even if the variance of the dependent variable is satisfactorily explained (Shmueli, 2010).

In day-to-day operations, the use of predictive analytics can help, for example, to forecast the probability of default on creditor repayments or to estimate the recommendation potential of an influencer in social media based on his or her previous follower structure and behavior. At the same time, predictive analytics supports managers in strategic planning and can thus help to reduce uncertainties and risks.

The quality of forecasts ultimately depends on three aspects: the quality and quantity of the input data, the computing power and the model quality. While computing power used to be a key bottleneck for forecasting, today the availability of the relevant data is often the key limiting factor. Although this is surprising at first glance due to the constantly increasing amount of data in marketing, it can be impressively demonstrated using a simple example (based on Chan & Perry, 2017, p. 6): In marketing mix modeling, a typical data set is based on the weekly advertising and sales data of the last two to three years and (104 to 156 recorded data points) in order to create sales forecasts for different advertising budget levels. At the same time, many channel-specific media metrics, distribution and price data as well as control variables are to be taken into account. As a result, the number of model parameters often significantly exceed the number of data points over time, which makes it considerably more difficult to calculate a stable forecast. If the data basis is not sufficient in terms of quality and quantity, there is a risk of incorrect predictions (see Gigerenzer, 2014).

4. Prescriptive analytics: While the previous stages were limited to data analysis, this is the first stage of full decision support. The model recommends actions that are suitable to achieve a specific (one- or multidimensional) objective – for example, which target groups are to be served with a mailing in order to optimize response rate, turnover or contribution margin (or all at the same time). Such expert systems were intensively discussed, for example, in the 1990s in the field of advertising (Esch, 1998), even though they were not (yet) able to assert themselves at that time (see also Lilien, 2011, pp. 197 on the advantages of marketing decision systems).

6.2 From Decision Support to Automation of the Marketing Decision Process

Prior to the introduction of information technology, managers in a company carried out the entire marketing decision process themselves, supported where necessary by accounting, management control, and market research functions. Information supply, decision-making, decision enforcement, control and learning processes were the responsibility of the individual (Figure 9).

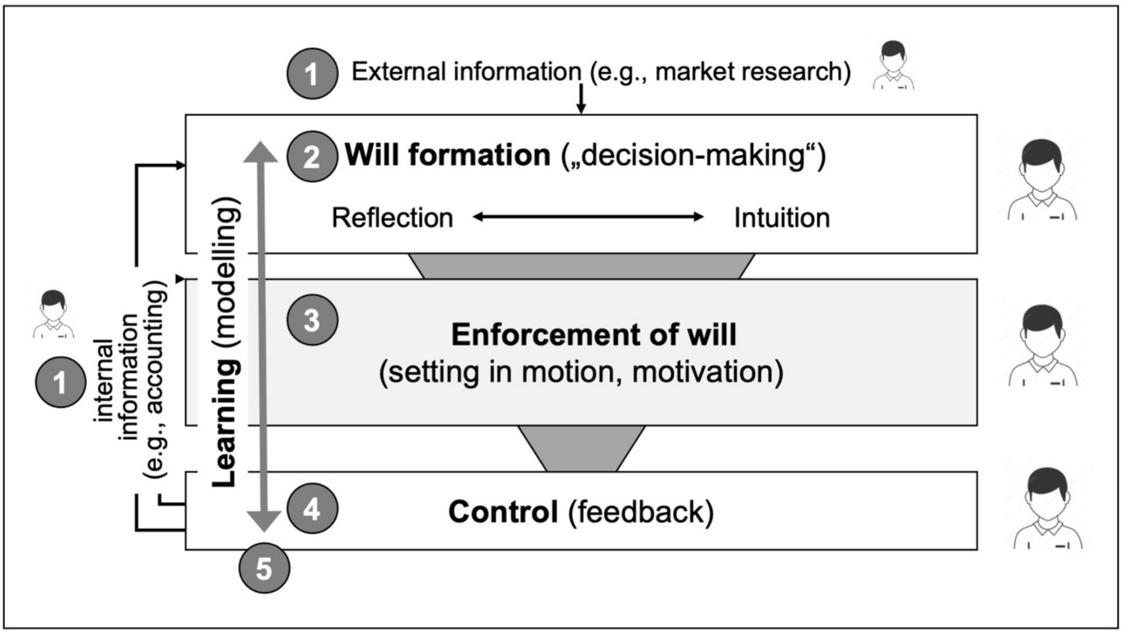

Fig. 9: Fully Human-based Marketing Decision Process
Source: Reinecke, 2020.

The internal and external information supply areas (1) have changed dramatically in recent years. About 25 years ago, Peter Drucker saw the risks of information technology in its inward directedness – he lamented the degenerative tendency of information technology "to focus inward on costs and efforts, rather than outward on opportunities, changes, and threats" (Peter Drucker, quoted by Davenport in Baker, 2014). However, the big data discussion of recent years has shown, particularly in marketing, that a great deal of data originates from external sources and can be integrated into the planning process – be it from social media, macroeconomic studies or even weather databases. Therefore, not only marketing accounting based on internal IT systems is now (almost) fully automated, but also a large part of market research. There are probably few industries that have been as severely affected by digital disruption as market research. Whereas in the past comprehensive, regular tracking studies and industry analyses, often based on large, representative surveys, dominated, today rather agile, highly automated ad hoc experiments such as A/B tests and (click) behavior studies as well as customer journey analyses are common (see Reinecke et al., 2023 for critical remarks). The automated part of the internal and external information supply of marketing has thus greatly expanded.

The same applies to control (3). Many marketing decisions, such as those concerning the optimal mix of advertising media, can be automated and in some cases even be controlled online without the need for intervention by marketing executives. In the case of self-learning systems, feedback control, which takes over the verification of the achievement of the target, can be carried out based on the target values of the original marketing decision. Building on this, a learning process (4) can be initiated to update and optimize the information base and algorithms for future marketing decisions. This modelling can be supported by the computer or even be refined and improved automatically. In the extreme case of artificial intelligence, self-optimizing modelling is conceivable.

Nowadays, there are very data-intensive areas (e.g., programmatic advertising) where computer-aided models develop suggestions that are superior to human decisions. Similar to car navigation systems, the model suggests decisions ("routes") that can then be adopted by humans. The more often the person follows the proposed decisions, the more urgent the question arises: Why does the human actually still have to decide, when the computer can already make an ("optimal") suggestion? This is particularly true if the computer has a better information supply than humans could process (analogous to the navigation system, where Google Maps, unlike the driver, has up-to-date online congestion information and traffic forecasts).

Therefore, if the decision making (2) and – especially in the case of online decisions – the enforcement of the decision (3) is also automated, then in extreme cases the entire marketing decision process is automated (see Figure 10).

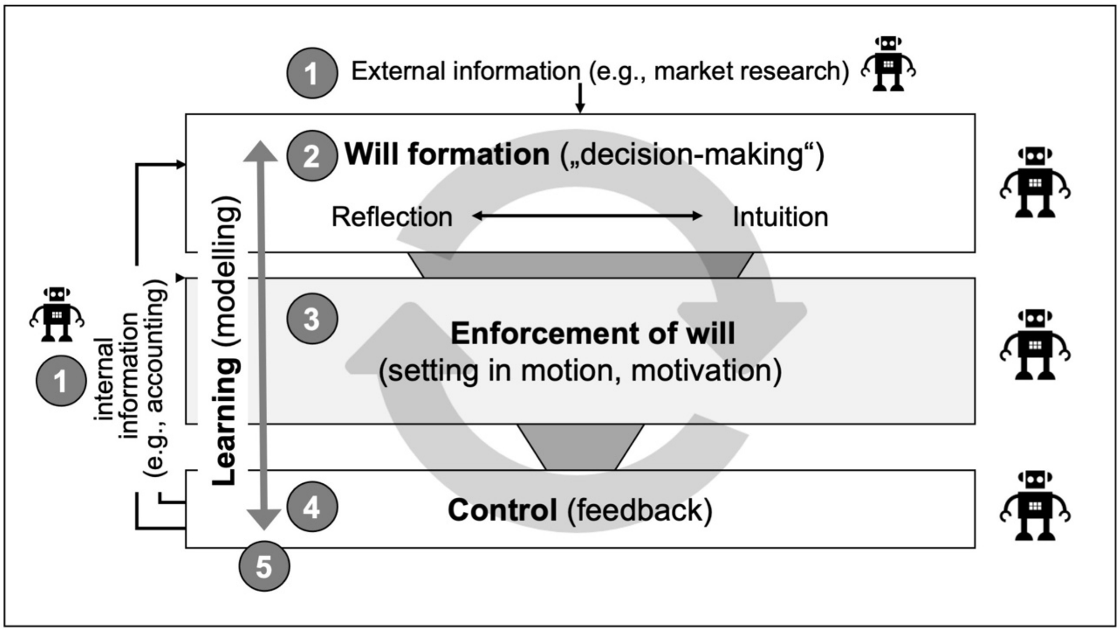

Fig. 10: Fully automated marketing decision process
Source: Reinecke, 2020.

Even if such a complete automation of marketing decisions is (currently) not yet widespread, a decisive advantage over the classic, human-based decision-making process is evident. The central bottlenecks in the human decision-making process are the speed of processing and the ability to learn. In other words: The entire marketing decision-making process takes a lot of time and the process is not run through very often, so that the knowledge base and thus also the applied decision models are only of limited quality. The computer, on the other hand, can run through the entire process very quickly and very frequently and thus "learn" much better, i.e., adapt its underlying model or algorithm. In extreme cases, the computer is able to simulate an almost infinite number of decisions and estimate the effects. Just like a "learning" chess computer can play significantly more chess games in a short time than a human can (and thus can learn faster), a computer-supported programmatic advertising can produce faster and better advertising budget decisions than a marketing executive. The same applies to an address selection of target groups by means of data mining in comparison to (limited) intuition-supported procedures of experienced marketing executives.

An interim conclusion can be drawn: If most steps of the marketing decision process can be automated, then computer-aided models will be superior to human decision making in the future. The reason for this is the limited information processing capacity and learning ability of humans. However, a central prerequisite for this automated decision-making process is that on the one hand the corresponding data is actually available in all steps. On the other hand, the decision-making process must be very structured.

6.3 Increased Marketing Efficiency and Effectiveness Through the Use of Marketing Algorithms

In marketing reality, more and more application areas are emerging in which artificial intelligence can help to increase either marketing efficiency or even marketing effectiveness.

As the previous discussion has shown, so-called artificial intelligence will be used in marketing, especially in data-intensive, highly structured processes. Davenport and Kirby (2016) summarize this as follows: "The more structured tasks will be taken over by machines or made substantially more productive by them."

The increased use of information technology and the availability of data will significantly increase marketing efficiency in many areas. For example, data acquisition can be facilitated by voice-controlled systems or sensors. Many processes and routine tasks can be automated: Chatbots can be used both online and over the phone (self-learning), and handle the majority of frequent and typical customer enquiries. Such automated "first-level customer support" increases efficiency in operational marketing because employees can focus on the more demanding activities.

Furthermore, it will be possible to eliminate certain intermediate process steps in many marketing activities. When using programmatic advertising, media agencies are often eliminated and two or three-stage distribution channels are converted to direct sales, which means that certain logistics as well as wholesale and retail tasks are no longer necessary.

Table 2 show marketing activities that have high potential for increasing efficiency due to automation.

But not only the marketing efficiency, but also the *marketing effectiveness* and thus the *efficacy* can be increased using algorithms. Numerous decisions and actions are only possible through intensive and fast marketing automation. This applies, for example, to the screening and monitoring of social media, comprehensive media sentiment analyses, facial recognition of customers or offering simultaneous written or verbal translations in customer contact. Real-time targeting in online marketing, as part of which dynamic and possibly even personalized content is presented to target customers at the right time, would also be inconceivable without marketing automation. The same applies to the optimization of non-payment risks or situational price differentiation.

With Wilson & Daugherty (2018, pp. 121) it can thus be ascertained that artificial intelligence offers companies five central potential benefits: Flexibility, speed, decision-making, and personalization.

Characterization of marketing activities	**Examples of affected marketing areas**
1) Automation is partially already in use	Online marketing, logistics, call center
2) Low physical/human contact	Industries: telecom & financial services
3) Easy transfer or information	Sales support, market research, training
4) Information analysis	Market research, marketing analytics
5) Data-related questions	Media planning, CRM, marketing accounting
6) Quantitative analyses	Online advertising, data mining
7) Simulations, virtual reality	Trade fairs, event management, sponsoring
8) High consistency requirements	Industries: security, pharmaceuticals, transport, banking
9) Clearly defined working rules	Standard field sales, logistics

Tab. 2: Exemplary marketing activities that have high potential for increasing efficiency due to automation
Source: Reinecke, 2020 based on Davenport & Kirby, 2016.

6.4 Limits of the Automation of Marketing Decisions

In light of the efficiency and effectiveness enhancement potential of marketing automation and the so-called artificial intelligence in marketing, the question arises as to how marketing will develop as a discipline in the future – and whether, for example, the kinds of marketing executives are still needed who are trained or have been trained to date.

First, it must be emphasized that the complete automation of the decision process is so far only possible in very few occasions, because many processes are not sufficiently structured, are not available in the necessary form, or cannot be collected. As the course of industrialization and digitization in recent decades has already shown, technology will always change many task profiles, eliminate individual activities, and at the same time open up new fields. Even if technical progress is rapid, the individual human remains a social being that needs time to adapt to change. The latter becomes obvious when one considers how gradually and successively media usage patterns have changed in recent decades. Most traditional media channels still exist, but they have been supplemented and partially replaced by new, digital media.

Despite the enormous potential of algorithm-based decision processes in marketing, there will still be many decisions, activities and requirements in the coming years and decades that show the (current) limits of this technology:

1. Reacting to rare events & exceptions: Artificial intelligence usually requires large amounts of data; these are not available for some decisions – or occur so rarely that it is not worth programming an (possibly learning) algorithm, because repetition is rare and, therefore, no real learning process is possible. For example, if a company only serves European customers, the system may not be able to respond to different buying habits and preferences of Asian customers. Thus, such decisions will continue to be made manually in the future for reasons of economic efficiency.

2. Sensorimotor activities and decisions: In some industries, there are many marketing-related decisions that cannot be automated yet, but are very critical to success. For example, the tactile assessment of fabric quality in the (luxury) fashion sector is still carried out manually – the computer can aid but cannot yet make the decision. Even creative processes such as design decisions by fashion designers or advertising creation can hardly or only to a limited extent be automated.

3. Justifying decisions in a comprehensible manner: For example, if prices are optimized using algorithms, the question arises as to whether companies will be able to explain price increases for certain customer groups (for an extensive review on price increases see Reinecke & Tombach, 2024). This challenge incorporates both ethical (e.g., equal treatment) and legal aspects (compliance). The same applies, for example, to the decision as to whether a certain customer may pay on account – or whether he must always pay in advance. In many cases, decisions must be transparent and explainable afterwards. It is neither ethically nor legally permissible for personal decisions to refer to the fact that the computer made the decision and is "responsible" for it. However, it is very difficult to explain the automated decisions based on complicated algorithms in an understandable way.

4. Real "understanding" and interpreting: Algorithms can learn to copy human behavior, but by nature they are always "rational" – even if they imitate some irrational human behavior and decisions. Genuine emotional intelligence, compassion and a real understanding of the customer's situation cannot be expected from artificial intelligence. However, there is a noticeable difference for the customer as to whether one pretends to be interested or friendly, or whether one actually is. Therefore, interpersonal sales will continue to occupy a prominent position in the marketing mix in the future, as they cannot be fully automated. A further complicating factor is that even if people (customers or managers) recognize that an algorithm produces better decisions, they still trust a person rather than artificial intelligence (Dietvorst et al., 2015, pp. 124). In particular, people overstate their own personal opinions (Logg et al., 2019, p. 96).

5. Real learning: Experiments such as A/B testing are an important tool in optimizing automated marketing decisions. However, such tests often lead to sub optima, not to an optimum, depending on the selected start configuration (e.g., a web page). In order to mitigate this risk, practitioners try to include as many start configurations as possible (e.g., very different websites) in order to cover the search space as broadly as possible and get closer to an optimum. However, an important condition for real learning-based experiments is an appropriate theory that is able to explain cause-effect – and the ability to exclude other potential causes (Hunt, 2002, pp. 127; Kreis et al., 2021, pp. 35). A/B tests and regression calculations alone are therefore not sufficient.

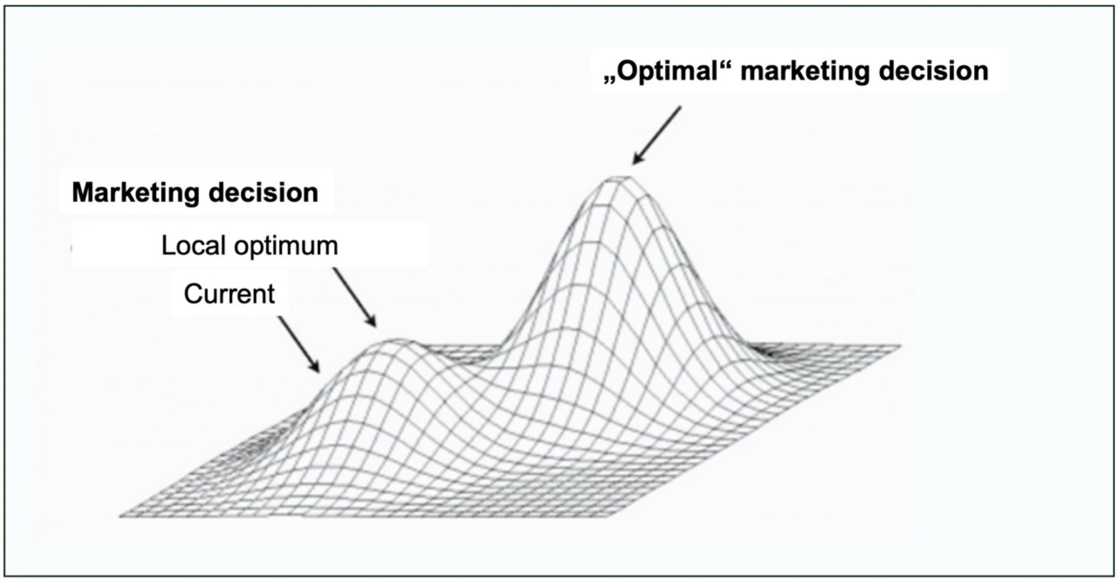

Fig. 11: Experiments do not always lead to optimal marketing decisions
Source: Reinecke, 2020.

6. Intentions: An algorithm cannot develop an intention, i.e., the overriding objectives must first be set by the management. A computer cannot develop an intention of its own; for marketing, this means that objectives and target priorities must be set (e.g., growth, profitability and risk-avoidance (security)). Objective setting cannot therefore be automated and remains a management task.

7. Humor: Marketing is a social process, which also works with humor, irony and partly sarcasm. This is where algorithms are currently reaching their limits – not only in terms of correct comprehension and interpretation, but especially in terms of generating humorous or ironic content. This is all the more true if many constraints (e.g., political correctness) have to be met.

6.5 Conclusion: Artificial Intelligence Shifts the Focus of Marketing Management Control

Algorithms and artificial intelligence will strongly influence marketing decisions in the future. If marketing management control is seen as a quality assurance task of marketing management, it can be stated that automation can largely eliminate a decisive bottleneck in marketing management: the insufficient learning processes due to the limited information processing capacity of marketing management on the one hand and the insufficient number of repetitions for optimization on the other.

Consequently, management's experience is not decisive for the success of certain, repeatable, future marketing activities, but remains crucial for the development of clear marketing objectives, emotional empathy as well as interpretation and theory formation. In the past, the most important bottleneck of decision-making in marketing was primarily a lack of rationality due to an insufficient information base. Automation will strengthen the rational elements of the decision-making process in the future. The deficit thus lies increasingly in intuition. After all, it remains a central task of marketing management control to ensure the balance of intuition and reflection in decision-making – but the "human" aspect becomes more important.

7 Bottlenecks of Marketing Management Control

When implementing effective marketing management control, managers are confronted with numerous challenges. As part of the outlined study (see Chapter 1.1.), the factors perceived as the greatest challenges were empirically investigated. The managers participating in the study were asked to rank a list of potential challenges on a bi-polar scale (1 = no challenge at all; 7 = very big challenge). Figure 12 summarizes the results.

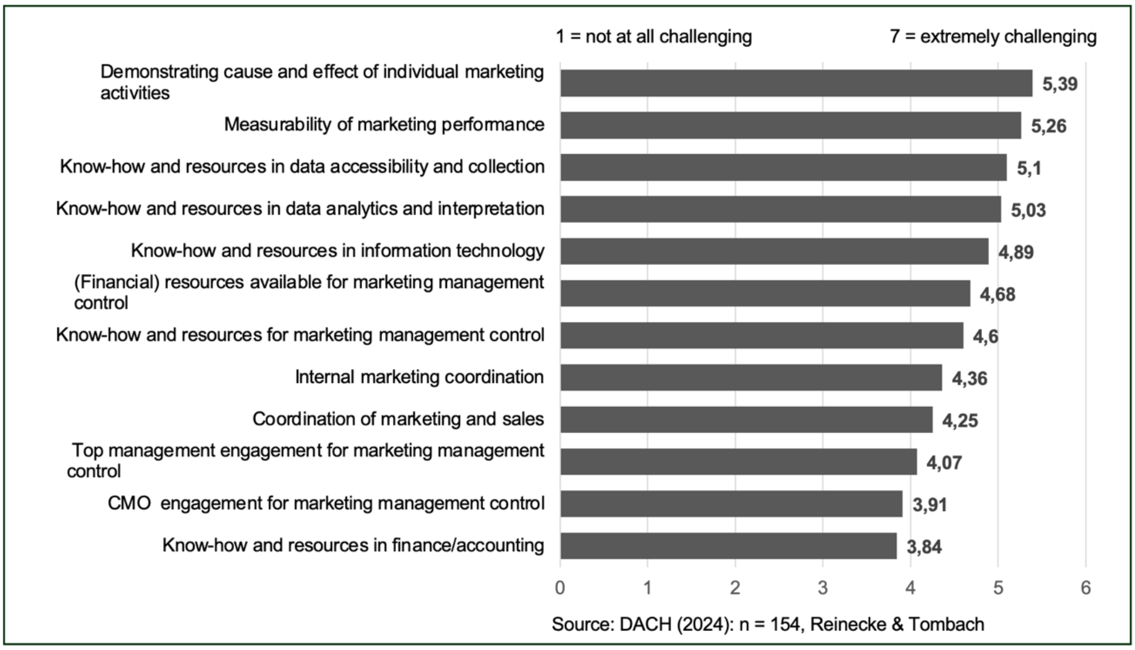

Fig. 12: Key challenges of marketing management control
Source: own representation.

The specific *proof of cause and effect of individual marketing measures* and the *measurability of marketing performance* represent the two key challenges in marketing management control. *Knowledge and resources in data accessibility, data analytics, and data collection,* are also seen as major challenges. Furthermore, it is interesting that many companies claim that the financial resources available for marketing management control are insufficient.

Selected bottlenecks in marketing management control and their causes are explained in detail below. The greatest challenge of proving the cause-and-effect relationships of individual marketing measures is addressed in particular detail. However, the elaborations also reveal that many of the challenges mentioned are areas that can largely be influenced by marketing management itself. The targeted development of internal resources and competencies as well as differentiated marketing planning can contribute significantly to the professionalization of marketing management control.

7.1 Sales-oriented Marketing Management Control: All or Nothing

Everyone knows the quote attributed to the famous American retailer *John Wanamaker*: "Half the money I spend on advertising is wasted. Unfortunately, I don't know which half it is." Even though the methods and instruments of marketing management control shown in Table 1 have indeed significantly increased both effectiveness and efficiency in the meantime, there remains a great need for action even in highly professional companies despite all the investments in marketing management control and market research.

In many companies, marketing effectiveness and efficiency measurement is still dominated by growth variables, especially sales and market share (Reinecke, 2014; Reinecke & Eberharter, 2010; Reinecke & Tombach, 2022). Although sales are generally effortless to measure, they are not suitable as the sole measure for assessing marketing effectiveness and efficiency, primarily because sales only measure growth, but not the other two central corporate goals of profitability and risk avoidance (Diller, 2001, p. 6). As Doyle (2000, p. 300) aptly put it, "Chasing profitless growth has been one of the most common sources of corporate failure." Simon (2020) is also critical of the common neglect of profit orientation. More-over, sales are a global parameter that is influenced by all marketing instruments and thus does not allow any conclusions to be drawn about the impact of individual marketing measures.

In many companies, thinking in terms of simple cause-and-effect relationships dominates. This inherently leads to questions about the exact impact contribution of individual marketing measures: "What additional (incremental) sales does a communications campaign generate?" or "Did we do more business by participating in a trade show?"

In most companies, operational marketing and even more so advertising measures and online campaigns certainly have a particular influence on sales and revenue, but rarely in isolation. The following challenges arise (Figure 13):

- *Spillover effects:* A marketing measure for a product has both positive and negative impacts on sales of complementary and substitute goods from the same supplier.
- *Interdependency-effects:* The effect of a single communication measure (for example, a trade show) depends on the other marketing instruments (for example, the degree of innovation of the products and the pricing). Advertising alone does not sell; even a trade show is hardly sufficient for this. Interdependency effects between marketing measures are generally assumed to have a synergetic effect (Pauwels & Reibstein, 2008). In order to benefit from such synergies, marketing campaigns are often launched across several communication channels simultaneously (Keller, 2016). Integrated marketing communication and advertising has established in corporate practice to largely replace isolated, channel-specific marketing measures. However, it should be noted that quantifying such synergy effects is a major challenge for marketing managers, as it is often not possible to

reliably estimate the actual degree of influence of the respective, individual marketing measures when sales-influencing variables correlate highly (multicollinearity) (Pauwels & Reibstein, 2008).

- *Carry-over-effects*: Brand-building communication, in particular, is often only reflected in sales and revenue in later periods. Due to the length of the purchasing process for industrial goods (for example, in the investment business), several years can pass between the initial phase with trade fair contact and the subsequent order.
- *Incorrect or unsuitable control metrics:* Sales are only partly attributable to marketing and communications; other influences such as the state of the economy, weather or current exchange rates can have a much more significant impact, at least in the short term.
- *Lack of consideration of moderating variables:* Competitive intensity and, for example, technology, innovation, and investment cycles are factors that significantly influence the impact of marketing measures.

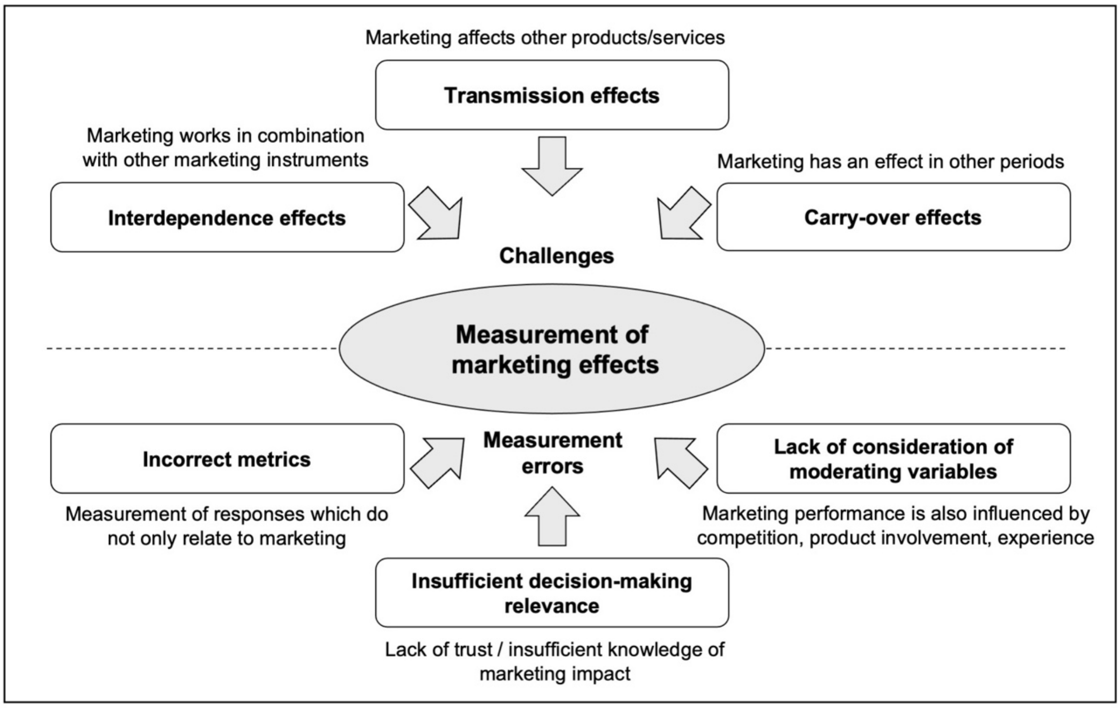

Fig. 13: Challenges and errors in marketing measurement
Source: own representation closely based on Behrends 1996, p. 153; Janßen, 1999; and Reinecke & Janz, 2007, p. 235.

Since even the most professional marketing management control is often not able to demonstrate exact cause-and-effect relationships with mathematical precision, this often leads to a certain reactance. Yet, specific investments are required for appropriate marketing management control (rule of thumb: 3 to 5% of the budget to be controlled) without it delivering precise results. Consequently, some companies refrain from marketing management control (almost) entirely (Homburg & Jensen, 2007).

In principle, marketing management control fulfills two functions in companies: on the one hand, it justifies investments and budgets to top management, and on the other, it serves a learning function. Even though the learning function in the sense of a proper control loop should be at the center, the justification function usually dominates – with a particular focus on growth (sales and revenue) instead of profitability targets.

7.2 Organizational Fragmentation

Marketing and sales ("distribution") are functionally separated in many companies. Collaboration is also often not without conflict (Homburg & Jensen, 2007; Dewsnap et al., 2020): Training, proximity to customers, internationality of orientation, centrality of activity, time horizon of measures, career orientation, and length of stay in the respective position vary greatly.

Marketing should neither be a pure staff department of sales – nor should sales be seen exclusively as an executing instance of marketing. A common, overarching goal orientation is necessary to implement first attempts of marketing and sales control. If possible, a counterpart should be turned into a partner.

A close, organizational link and a high degree of market knowledge in marketing are success factors for the successful cooperation between marketing and sales (Homburg et al., 2008).

But management control is still often equated with pure monitoring, and sales reacts very critically to reporting ordered from headquarters, the meaning of which is not clear to the individual employee. In most companies, marketing management control is doomed to failure without sales involvement. For example, in many CRM systems, sales representatives do not maintain the data or only do so pro forma because the individual salesperson does not recognize any added value or is even afraid of sharing their implicit customer knowledge, thus losing control over the customer relationship.

For example, it does not make sense for a company to develop a sales performance indicator system on the one hand – and introduce a separate marketing scorecard on the other.

Instead, it is necessary to implement an integrated marketing and sales metrics system that allows for different user-appropriate perspectives (see Reinecke, 2004; Reinecke & Geis, 2021; see also Part 2, Chapter 7.5).

Collaboration within marketing is also characterized by increasing fragmentation in many companies. For example, conversion-oriented online marketing (websites, social media platforms, email campaigns) and "classic" brand management (brand presence, image advertising, out-of-home (OOH) communication) are often divided into two sub-departments: The culture, mindset, and planning processes are subsequently very different, which often leads to challenges in collaboration. However, since almost all marketing campaigns today require a combination of online and offline measures, it is necessary to define integrated goals for control and optimizing the marketing mix. Media-specific control alone is hardly helpful.

The organizational fragmentation in marketing is further exacerbated through the deployment of marketing analytics, as most common analytics tools are channel- or eco-system exclusive (e.g., Meta Analytics, Google Analytics, SEO, Google Ads). Data from the respective customer touchpoints can be analyzed and reported independently by respective marketing specialists, such as social media managers, and used for operational-tactical steering. Driven by better data availability, there are more opportunities at lower levels of the organizational hierarchy for analytics applications and consequently data-driven or even automated decision making that does not require the experience and skills of a senior executive (Bloom et al., 2014; Hanssens & Pauwels, 2016). Experiments such as A/B-Tests are feasible on an operational-tactical level without involving upper management levels. Hence, marketing analytics are a decentralizing force in the marketing organization and increase the need for an integrated, cross-media marketing management control approach to ensure a comprehensive strategic steering of marketing.

7.3 Lack of Know-How and Unclear Responsibility for Controllership

Marketing management control has a certain commonality with other quality assurance measures such as complaint management: Both are considered essential, and a central need for action is recognized but are not consistently implemented in corporate reality because they fall "between the areas of responsibility". Complaint management could theoretically be the responsibility of quality management, customer service, internal sales, field sales, marketing, or business development departments, but for "internal political" reasons, no one often assumes responsibility (fear of competence disputes, high workload with low profiling potential).

The same is often the case with marketing management control: On the one hand, the finance & accounting department could be responsible for this – and increasingly it is also stimulating projects (Reinecke, 2006 in detail). Unfortunately, these financial impulses are often associated with insufficient knowledge of marketing and sales contexts. Thus, financial managers like to demand the collection of the key metric "return on marketing" without defining it precisely (What does marketing stand for? For advertising, for communication, for sales, or market-oriented corporate management? Does "return" refer to sales, revenue, contribution margin or cash flow? Are long-term marketing effects considered?). Also, metrics are often deployed that reflect inappropriate cause-and-effect relationships or one-sided efficiency considerations. For example, a "return on marketing investment" metric can be maximized by minimizing marketing investment – thus optimizing efficiency at the expense of effectiveness. Some metrics do not have sufficient relevance to action: For example, it is not helpful to report customer satisfaction as an index in the balanced scorecard of a large, diversified stock corporation because this aggregated indicator will probably never change significantly due to the many influencing factors and therefore conveys hardly any information. (At the business unit level, however, this metric may well be relevant for proactive control) (for detailed analyses on metrics see Siegwart et al., 2010 and Part 2, Chapter 7).

Just as financial experts often lack marketing knowledge, marketing executives do not have sufficient expertise in finance and accounting. The lack of "financial literacy" leads to fear of contact and communication barriers with the finance department.

Marketing management control ultimately supports the decision-making of marketing and sales management – which is why it is generally advisable to assign marketing and sales control to the marketing department, albeit in close coordination with the finance/accounting department (Köhler, 2006, pp. 55).

Close coordination is also required in marketing accounting, for example, when defining common cost types in cost accounting. It is not helpful, for instance, if the accounting department specifies cost types such as printing costs, but the marketing department requires campaign costs differentiated according to creation and placement.

An additional challenge in many marketing departments is the rapid change of positions or personnel. If, for example, a marketing specialist is responsible for a company's trade show appearance, but this trade show only takes place every two years, it is highly likely that the person will only have overall responsibility for the trade show once or twice at the most, because after that he or she will usually already have a new function in the company. However, without personnel continuity, it is difficult to implement learning processes – know-how deficits are reflected in control because this is perceived as a freestyle rather than a duty (Reinecke, 2014).

7.4 Lack of Trust in Market Research

Market research is often equated with "standardized surveys" – and due to prejudices, these are usually considered expensive, unreliable, and contradictory. Since the customer does often not know precisely what he or she wants, the rationale often is to better neglect market research altogether.

Even if criticism of traditional standardized surveys is often justified, this should not tempt marketers to dispense with market research altogether. The customer almost always compares an offer with that of the competition. Thus, competitive market research is an essential part of the company's information supply because otherwise, the customer is better informed than the supplier itself. Companies like Dell, for example, invest heavily in price market research to have as accurate an overview as possible of regional market prices – an essential prerequisite for professional price management.

Information about customers, competitors, sales agents, sales assistants, and market and technology trends is an indispensable foundation for professional marketing. As a rule, it makes sense not only to measure (online) behavior but also to survey its causes and associated attitudes (Reinecke et al., 2023). Marketing management control without market research is just as impossible as without accounting: If you want to capture and understand the effect of marketing channels such as trade shows, social media, personal selling, direct marketing, or advertising, market research is necessary.

But the classic Pareto principle also applies to market research: with 20% of the resources, 80% of the results can usually be achieved. However, this 20% must then be invested intelligently. Especially for small and medium-sized companies (SMEs) with small numbers of customers, qualitative market research (for example, focus groups or semi-structured personal interviews), observations, and experiments should be prioritized in the market research mix.

7.5 Insufficiently Differentiated Marketing Planning

Peter Drucker is credited with the quote, "What you measure is what you get." And marketing often does not seem to be truly measurable. However, this challenge is not caused by insufficient marketing management control but rather by inadequate marketing planning. One of the significant marketing problems, and thus of assessing marketing performance, is that objectives are not clearly defined, let alone operationalized. Suppose there is no clear objective for overall marketing and no precise target systems for individual instruments such as trade show appearances or product brochures. In that case, it is not possible to measure success, even with high levels of resource input for market research and marketing accounting. Wild (1974a, p. 44) summarized this as early as 1974: "Planning without control is (...) pointless, control without planning, on the other hand, is impossible."

Therefore, it is necessary for marketing not only to pursue overall sales targets but also to set more differentiated goals, for example: Which marketing goals are to be achieved with a specific key account in the next year? What customer acquisition, customer retention, and possibly even market research goals are to be pursued with the following trade exhibition? How many percentage points, for example, should the aided awareness of brand X be increased in the next two years among target group Y in country Z? These goals must be precisely operationalized in advance so that it is also possible to measure them later.

The key challenge in marketing management control is, therefore, not the measurement process itself but the differentiated and operationalized objective setting: marketing management control begins with marketing planning.

Part 2: Selected Marketing Management Control Instruments

Within the scope of this publication, it is not possible to comprehensively describe all sub-areas of marketing management control – please refer to detailed standard works (Ambler, 2003; Bauer et. al, 2016; Bendle et al, 2021; Reinecke & Janz, 2007; Reinecke & Tomczak, 2006; Zerres, 2021). The following seven aspects are discussed in more detail below:

1. *Marketing budgeting:* The questions of the overall budget level and budget allocation as well as the budgeting process are intensively discussed in company practice. A brief overview of the various procedures and methods in this area is therefore provided.
2. *Marketing audit:* Companies that want to introduce marketing management control often start with a so-called marketing audit under external supervision. Such a health check of the marketing status can be extremely useful, but is also demanding.
3. *Marketing as a driver of shareholder value:* Commercial enterprises, especially listed companies, are often focusing on increasing the value of the company. For this reason, we will show how marketing can be conceptualized and positioned as a driver of shareholder value.
4. *Strategic customer control:* In order to correctly assess the effectiveness and efficiency of marketing activities, it is necessary to analyze the (potential) customer base and to prioritize customers in a value-oriented manner. Proven methods for recognizing and evaluating customer success potential are therefore explained.
5. *Strategic brand controlling:* Instruments for measuring and evaluating brand knowledge, brand strength and (financial) brand value are important for all companies that operate with one or more brands on the market. The explanations deal in particular with whether and how behavioral and financial brand valuation methods can be combined.
6. *Marketing mix modeling:* Marketing mix modeling (often also known as media mix modeling) has developed into one of the most proven methods of measuring the effectiveness of marketing activities. The chapter illustrates how it is possible to model and quantify the relationship between the marketing mix and firm performance and which potential sources of error should be taken into account.
7. *Marketing performance measurement systems:* Metrics are the interface between planning and control and therefore essential for marketing management control. This publication presents central principles for the development and use of so-called marketing cockpits (also known as dashboards).

1 Marketing Budgeting

With its roots in national budgeting, this is a widely used management instrument for controlling organizational units by means of periodic input and output specifications in the form of budgets (Schreyögg & Koch, 2020, pp. 169). For this reason, budgeting has traditionally been regarded as essential in terms of the planning and management of marketing activities (Barzen, 1990, p. 2). Budgeting and planning are closely linked, although budgets, on their account of their prescriptive focus on formalized targets, are distinct from general plans (Horvath et al., 2024, p. 126). A *marketing budget* is defined as a plan focused on formal targets which is formulated in monetary or quantitative terms and which is imposed on a marketing organization entity for a specific duration with a defined degree of obligation (Wild, 1974b).

Marketing budgeting as part of corporate budgeting (Kiener, 1980, pp. 144) is the process that involves the preparation, approval, control and variance analysis of marketing budgets.

1.1 Functions and Types of Budgets

Various functions are assigned to budgeting in scientific and practical circles. Schreyögg and Koch (2020, pp. 170-171) identify four key *budget functions*:

1. *Orientation function:* Commitment of the budgeted organizational units to specific targets and clarification of their responsibility for results (performance outcomes).
2. *Coordination and integration function:* Coordination and integration of all corporate divisions through horizontal and vertical budget coordination for the targeted allocation of scarce corporate resources.
3. *Control function:* Use of quantitative budget targets as a benchmark for performance measurement and thus for control and monitoring, in the context of which the causes of deviations are also to be investigated by means of deviation analyses.
4. *Motivation function:* Fostering the motivation of the budgeted organizational units, above all by involving them in the budget determination process and by granting them room for maneuver.

Figure 14 outlines the main differentiating criteria of marketing budgeting (also Wild, 1974a, pp. 330).

Types of Marketing Budgeting					
Organizational unit	**Value dimension**	**Period of validity**	**Degree of obligation**	**Degree of flexibility**	**Budget orientation**
▪Horizontal ▪Vertical	▪Cost objectives ▪Performance objectives	▪Fix ▪Rolling	▪Fixed upper or lower limit ▪Preliminary estimate	▪Fixed ▪Flexible	▪Strategic ▪Operational

Fig. 14: Types of Marketing Budgets
Source: Reinecke & Janz, 2007, p. 128.

1.2 The Process of Marketing Budgeting

In terms of the marketing budgeting process, one can distinguish three main traditional approaches (Becker, 2001, p. 769; Weber & Schäffer, 2022, p. 312):

In the *top-down-approach,* senior management imposes the marketing budget on organizational entities (e.g., product management). Although this approach and aligned with key strategy objectives and circumvents time-consuming coordination processes, the non-involvement of organizational entities can result in problems of acceptance of the budgetary terms.

In the *bottom-up-approach,* marketing budgeting progresses from lower down the hierarchy to the top; organizational entities develop budgetary proposals according to their objectives and plans and agree these with senior management. The main advantage of this approach are the utilization of market and customer knowledge and the greater motivation of entities in question thanks to their involvement in the budgeting process. As for the disadvantages, the high level of coordination required poses risks: The organizational entities may behave in an opportunist manner by exaggerating cost objectives and underestimating performance objectives.

The *counter-procedure* combines top-down and bottom-up approaches; budgeting may be initiated on a top-down or bottom-up basis.

1.3 Approaches and Methods in Marketing Budgeting

The resource allocation task is at the center of marketing budgeting. This task takes the limited nature of available corporate resources into consideration and focuses on *determining the overall amount of the marketing budget* and *distributing the budget* objectively and according to time (Mantrala, 2002, pp. 409). A basic distinction is drawn between analytical and heuristic approaches and methods (Figure 15).

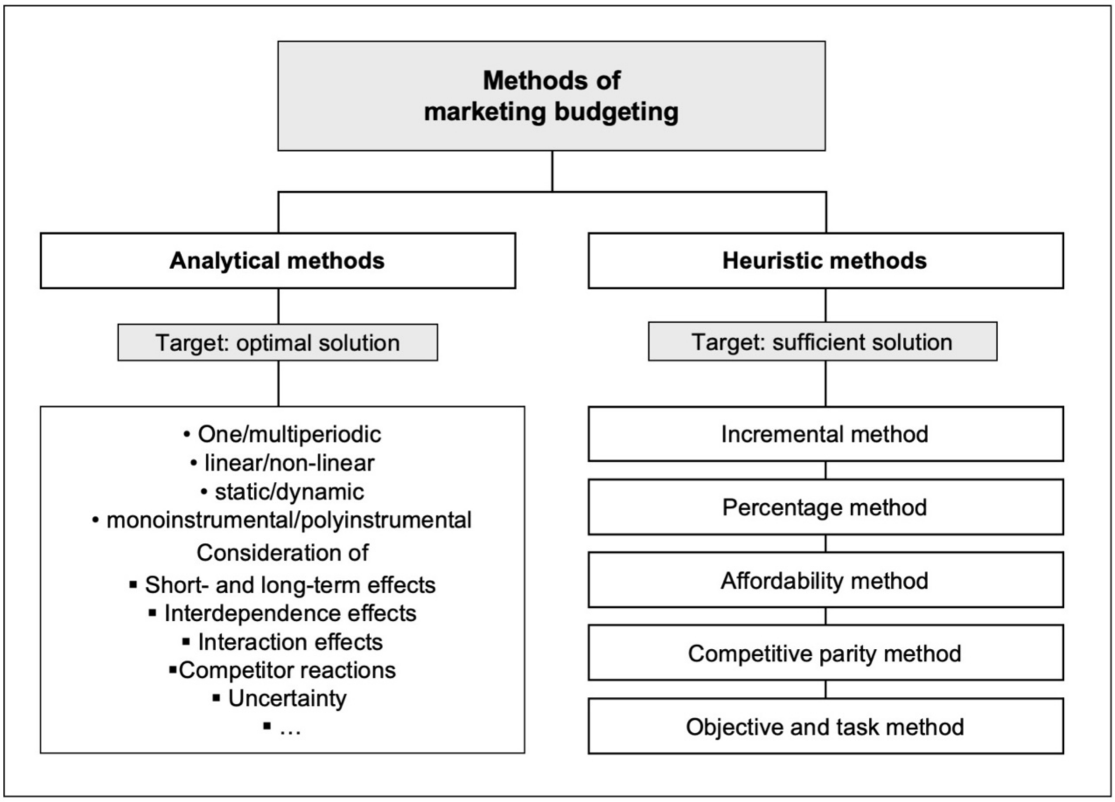

Fig. 15: Approaches and Methods in Marketing Budgeting
Source: own representation based on Reinecke & Janz, 2007, p. 131 und Bruhn, 2022, p. 203.

Analytical approaches to marketing budgeting start by determining the reaction function of a marketing output factor (usually turnover, sales, profit contribution or market share) in relation to marketing input factors (usually marketing cost budgets or marketing instruments) by means of econometric models, experiments or subjective assessments; on this basis, the ideal allocation is determined using a (generally problem-specific) algorithm (Albers, 1998, pp. 211; Mantrala, 2002, p. 411). In recent years, marketing mix modeling has developed into one of the most important analytical methods in marketing that supports budget allocation decisions (Chan & Perry, 2017). The method is presented and analyzed in detail in Part 2, Chapter 6 of this book.

Although it is reported that this procedure has been applied successfully on a number of occasions (Doyle & Saunders, 1990; Wiesel et al., 2011; Banfi et al., 2013), it can be concluded that metrics are predominantly used as a rule of thumb in company practice (Piercy, 1987; Albers, 1998, p. 212; Mantrala, 2002, p. 410). The reasons for this are the complex interdependent effects of marketing, poor availability of data and appropriate systems to support decision-making (formerly?), and a lack (statistical) know-how to enable implementation (Albers, 1998, p. 212; Bruhn, 2008, pp. 214).

Accordingly, heuristic methods of marketing budgeting dominate in corporate practice. In contrast to analytical methods, they do not strive for optimal solutions, but rather for sufficiently good solutions (also see Bruhn, 2022, pp. 203):

- With the *incremental method*, the marketing budget is oriented on the budget from the previous period. While this is fast and requires minimum effort, it lacks a strategy and output orientation.
- On the basis of the *percentage method*, the marketing budget is determined as a percentage of a reference value (e.g., sales volume or contribution margin). This method is easy to apply and takes account of financeability. However, it lacks inherent logic: The marketing budget is determined by a reference value such as sales volume and not vice versa, which may lead to procyclical marketing budgeting.
- With the *affordability method*, the definition of the marketing budget is aligned to the available financial resources. The advantages and disadvantages correspond to those of the percentage method. For some companies, e.g., family-owned companies, this might be an appropriate approach if the owners value security (and independence from banks) higher than growth.
- With the *competitive parity method*, the marketing budget is oriented towards the budget of the main competitor. Here, the problem is that company-specific marketing objectives are not considered and competitor marketing budgets are not transparent.
- With the *objective- and task-oriented method*, the marketing tasks and activities required for attaining the marketing objectives are quantified and budgeted as costs. This is an inherently logical and rational approach insofar as the causal relationship between marketing budgets and marketing output variables is taken into account. However, the central prerequisite is that these causal relationships are at least basically known, which is often not the case in business practice.

Overall, it is apparent that the *"optimum" configuration of the marketing resource allocation* essentially depends on detailed knowledge of the functional interactions between marketing input and output parameters and thus is closely linked with marketing performance measurement. Thus, efficient marketing budgeting generally requires that companies do not focus one-sidedly on cost control, but also consider the output-generating effects of marketing activities in particular.

Marketing budgeting should itself be efficient and therefore situation-specific: for example, simple percentage methods can be rational in industries with low marketing complexity and dynamics, while the comparatively cost-intensive implementation of computer-aided analytical approaches can be justified in highly competitive and marketing-intensive industries. In this context, behavioral aspects of the respective methods must also be considered. For example, the widespread *incremental method* appears to be suitable for reducing conflicts between different interest groups within a company, as it contributes to maintaining existing resource-based power structures (Piercy, 1986 on behavior-oriented aspects of marketing budgeting).

1.4 Better Budgeting and Beyond Budgeting

Budgeting has been fundamentally criticized for some time (Schäffer, 2003; Weber & Linder, 2003). The main criticisms include the fact that budgeting in its traditional form (Neely et al. 2001, pp. 1, Weber & Schäffer, 2022, p. 320)

- is time-consuming and cost-intensive, but does not add value,
- annualized, inflexible and bureaucratic,
- is often not (sufficiently) aligned with the strategy,
- reinforces vertical management and control,
- promotes dysfunctional behavior (e.g., "budget games"),
- is based on unfounded assumptions and intuition, and
- reinforces departmental barriers instead of overarching knowledge management.

In response to these problem areas of traditional budgeting, two main approaches have been propagated in the recent past: While the *better budgeting approach* aims to *reform the budgeting process*, the *beyond budgeting approach* strives for a *complete abolition of budgeting* (Weber & Linder, 2003; Weber & Schäffer, 2022, pp. 320). In the context of a brief *overall assessment of marketing budgeting*, it can be stated that none of the approaches is universally superior (in detail: Weber & Linder, 2003, pp. 32; Reinecke & Janz, 2007, pp. 134). Contrary to the criticism, traditional budgeting still proves to be a suitable approach in a less dynamic environment. The Better Budgeting approach, on the other hand, is better suited to adapting to a more dynamic context. Finally, the Beyond Budgeting approach appears to be best suited to a dynamic corporate context due to its market-like form of coordination, but not to a complex environment; however, the implementation of this approach is challenging.

1.5 Marketing Budgeting in Company Practice

As part of the empirical study conducted in German-speaking countries in spring 2024 described above (cf. Part 1, Chapter 1.1), the authors determined which budgeting methods are actually used in practice. As companies generally use and combine several approaches and methods to plan the amount of the (aggregated) marketing & sales budget (Reinecke & Janz, 2007, p. 127; Fuchs, 2008), the respondents were asked to name up to three of the approaches and methods they primarily use. The results show (see Figure 16) that marketing budgeting in company practice is strongly characterized by incremental, inductive and heuristic methods. Differentiated, target-oriented methods that go beyond turnover or sales, on the other hand, are used in an average of four out of ten companies (37%).

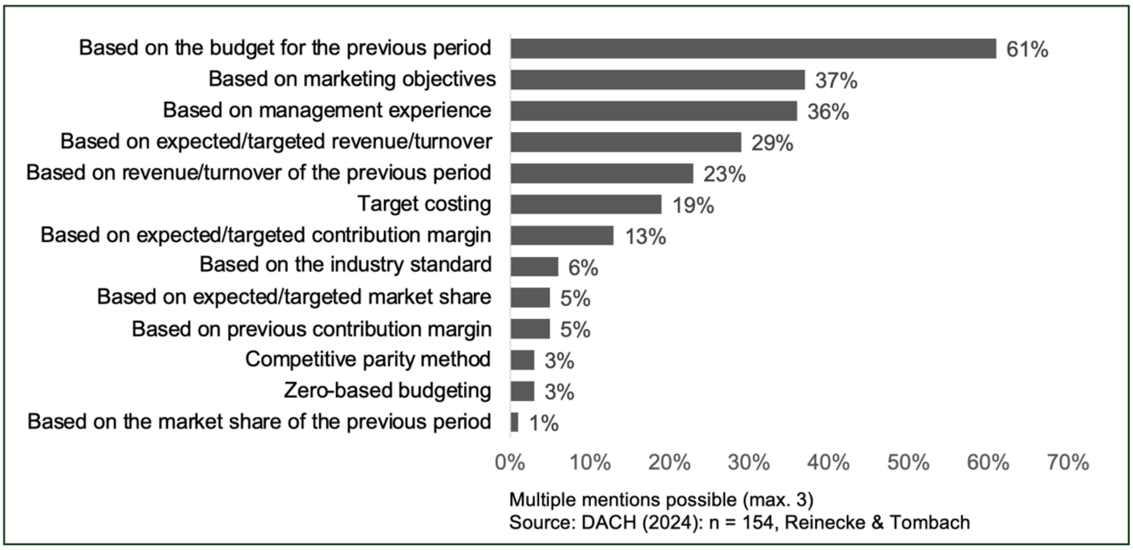

Fig. 16: Overview of the most frequently used methods in marketing to determine the aggregated budget amount
Source: own representation.

61% of companies base their marketing budgets on the budget for the previous period (roll-over method). This method is a past-oriented and less result-oriented approach. In addition, budgeting in 36% of companies is based on management experience, the rationality of which is difficult to verify. It can therefore be assumed that gut feeling and political power calculation strongly influence the determination of the marketing budget. Percentage methods (e.g., based on the previous year's turnover or sales, 23%) are also used by many of the companies surveyed. With this method, however, there is a risk of procyclical marketing budgeting because the budget is determined unilaterally by a reference metrics: If sales are high, a high marketing budget is also available; if sales are low, it is reduced. In contrast, competitive budgeting approaches, i.e., aligning the budget with a main competitor in the industry, are hardly used (6%). This is probably due to the fact that outside the consumer goods sectors, which are particularly well developed in terms of market research, these values can only be determined with great (financial) effort and are difficult to compare.
The results largely correspond to the comparable survey from 2020 (Reinecke & Tombach, 2022) and illustrate that the approach and choice of methods in corporate practice have remained largely unchanged. The empirical results therefore underline that well-founded, rationality-driven marketing budgeting remains one of the biggest deficits in marketing planning and control.

2 Marketing Audit

Preventive medical checkups have proven their worth. However, such precautionary checks are hardly typical in marketing. Yet, just as with medical checkups, the objective advantages are apparent: Especially for an area as dynamic as marketing, it makes sense from time to time to ask ourselves the fundamental question: Are our marketing and sales measures effective and efficient?

The most frequent reason for a marketing audit is undoubtedly a change in top management or marketing or sales management. However, other external causes such as takeovers, mergers, and cooperation can also lead to a critical examination of the overall effectiveness of previous marketing and sales efforts. Furthermore, benchmarking, total quality management, certification, or rationalization programs initiated by corporate headquarters can lead to a marketing audit.

Various marketing audit methods are explained below; some of them are based on traditional strategic planning instruments that can also be used to conduct a marketing audit.

2.1 Checklist-based Marketing Audits

In these approaches, a distinction can be made between focused marketing audits limited to individual marketing instruments and holistic approaches.

Focused Optimization of Individual Marketing Instruments

This more traditional approach is based on the classic Pareto or 80:20 principle. Based on the budget distribution, the focus is on those few marketing instruments (approx. 20%) which cause the highest marketing expenditure (approx. 80%) (e.g., brand advertising, content marketing, web search, or trade exhibitions). These are initially examined individually with the help of instrument-specific checklists concerning their effectiveness and efficiency (see Reinecke & Janz, 2007 for the traditional marketing instruments), which essentially scrutinize the following aspects:

- Are the objectives of the respective marketing instrument, for example, sponsoring, clearly defined and operationalized (target group, content orientation/message and tonality, monetary objectives such as sales/recovery contribution, non-monetary objectives such as brand awareness, brand sympathy and knowledge of the brand message)?
- Is the message unique, relevant, and understandable to the target audience(s)?
- Is the operational execution of the instrument exemplary (assessing consistency, degree of innovation, and craftsmanship)? Have the socio-technical fundamentals been taken into account?
- Is the achievement of predefined objectives adequately measured and reviewed?

- How has instrument efficiency (output/input, e.g., cost per qualified contact) developed, and how does it compare to the other marketing instruments?
- Are learning processes for the future design of the respective marketing instrument initiated with the help of the instrument control?

Figure 17 illustrates an exemplary 3-Questions-Check, developed and deployed by Swiss advertiser Frank Bodin to assess the effectiveness of marketing communication.

1. Does it make sense? (Strategy fit? Comprehensibility?)

2. Does it inspire humans & the brand? (Creativity? Novel idea? Talk of the community?)

3. Is it exemplary? (Excellent execution? State-of-the-art? Ethics?)

Fig. 17: Three questions-check for effective marketing communication.
Source: own representation based on inputs from Frank Bodin.

In addition to the instrument-specific aspects, the effects of the entire marketing mix must then also be scrutinized, for example:

- Do the instrumental targets cover the objectives and target groups defined in the marketing concept (keyword: buying center, i.e., all parties involved in the purchasing decision)?
- Are the intended instrumental effects synchronized in time and harmonized in content?
- Are the right priorities being set? Can synergies be exploited between the marketing instruments?

Bauer et al. (2016, pp. 94) show how the use of econometric models can help optimizing the marketing mix if a company has a sufficient database, for example, in fast-moving consumer goods.

Such an instrumental approach is undoubtedly a first step toward initiating learning processes in marketing. However, this approach is primarily aimed at optimizing the instruments – the fundamental orientation of marketing is less analyzed. This approach is also not sufficient to explain and "justify" the size of the overall marketing budget. It requires a more holistic approach, which is described below.

Holistic Marketing Checklists

Following Kotler & Keller (2012, p. 643), a marketing audit can be defined as a comprehensive, systematic, non-directional, frequent examination of the marketing environment, objectives, strategies, processes, organization, and measures of a strategic business unit (see in detail Reinecke & Janz, 2007, pp. 146). Its purpose is to uncover challenges and opportunities and draw up an action plan to improve marketing performance (see checklist in Figure 18). The individual features of such an audit will be briefly explained below:

- A marketing audit is *comprehensive*: A "true" marketing audit must always relate to the entire area of marketing & sales. In contrast to marketing accounting, the focus is not primarily on profitability (efficiency) but the effectiveness of the entire marketing mix. For example, an isolated price audit does not achieve its objectives because it is only possible to assess whether pricing strategies, systems, and conditions are appropriate in connection with product and service management.

- A marketing audit is *systematic*: An audit serves the coordinated monitoring and thus requires a specific order. Systematics has three primary effects: relief, completeness, and comparability. Relief because one does not have to reinvent everything and act more efficiently. Completeness, because audit checklists provide the security of not neglecting or even forgetting any central marketing area. Comparability, so that the audit results can be compared over time or with the results of the audit of other business units and thus used for learning processes. Kotler (1977, pp. 67) has developed questions for checking the market orientation of the entire company and hence marketing effectiveness, which is also suitable as audit instruments (Kotler & Bliemel, 2006, pp. 67; see Figure 18).

Customer orientation
- Need orientation (priority)
- Market segmentation (use itensity)
- Marketing system perspective regarding customers, channels, competitors, environment (given – not given)

Adequate marketing information
- Use of market research (frequency and intensity)
- Knowledge of sales potential and profitability of different market segments, products, and channels as well as assessment of risks (quality)
- Effectiveness checks on the various marketing activities (frequency and intensity)

Strategic orientation
- Formal anchoring of marketing planning to ensure systematics, decisions, and communication (scope of use)
  Marketing strategy (quality)
- Use of scenario technique and contingency (extent)

Operational efficiency
- Anchoring/communication/implementation of the marketing perspective (quality)
- Effectiveness of the marketing mix (degree)
- Responsiveness to sudden changes (speed and efficiency)

Integrated marketing organization
- Hierarchical level/formal importance of marketing in the organization (possibility of integrated control of essential marketing functions given – not given)
- Collaboration between marketing and other functional areas (quality)
- Product development processes/Innovation management (degree of integration)

Fig. 18: Checklist for assessing the market orientation of corporate strategy
Source: own representation based on Kotler 1977, pp. 67, Kotler & Keller, 2006, pp. 1295 and Reinecke & Janz, 2007, p. 147.

- A marketing audit is *not bound by instructions*: While marketing managers, especially in small and medium-sized companies, often need to take on many marketing management control tasks themselves, this is hardly possible in a "true" audit. Only the personal independence of the auditor guarantees the necessary critical distance: Who actually questions one’s own decisions?

- A marketing audit is carried out *regularly*: A marketing audit should be carried out regularly at longer intervals (three to five years) or at least sporadically. The frequency depends on how dynamic the market is.
- A marketing audit is *strategy-related*: Based on a review of the environment, a comprehensive marketing audit questions both the target system and the selected marketing strategy.
- A marketing audit is *process- and organization-related*: An audit also clarifies whether processes are designed efficiently and whether the selected marketing organization fits the purpose. For example, marketing, sales, and R&D must work together efficiently and not fight each other.
- A marketing audit is *action-oriented*: A doctor does not stop at analysis but makes a diagnosis and recommends a therapy. Although marketing audits initially serve the purpose of monitoring, they should also necessarily include a critical assessment in the sense of a diagnosis. It would even be desirable to derive different therapy proposals, whereby the selection of therapy measures should no longer be the auditor's responsibility under any circumstances but should be reserved exclusively for management. In principle, however, there is an essential difference to medicine: the marketing audit is not only about finding out "health" problems but at the same time also about uncovering market opportunities.

In summary, marketing audits represent an important qualitative and effectiveness-oriented component of integrated marketing management control. Especially for companies that want to introduce structured marketing control, a marketing audit is suitable as a fundamental basis and "zero measurement". A checklist-based marketing audit (Figure 18) can provide valuable insights even when used once.

2.2 Brand Funnel-Analyses

The so-called brand purchase funnel (Bauer et al. 2016, pp. 40; Braun et al., 2003, pp. 19; Riesenbeck & Perrey, 2004, pp. 100) is frequently used as a brand audit tool. A brand funnel is a behavior-oriented approach to comparing different brands of a company or competitor brands. It is ultimately based on a classic and the most widespread stage model in practice (despite justified criticism) due to its memorability, the AIDA model (Ambler, 2000, p. 299). This model is based on the following formula developed by Lewis in 1898 (Toepfer, 2005, pp. 865): communication must first arouse the target group's attention before it can trigger interest in the advertised product or service, and finally, desire and action. The brand funnel divides the process of customer acquisition and retention analogously for each target group segment into the five steps of awareness, interest, trial, preference, and loyalty (Figure 19).

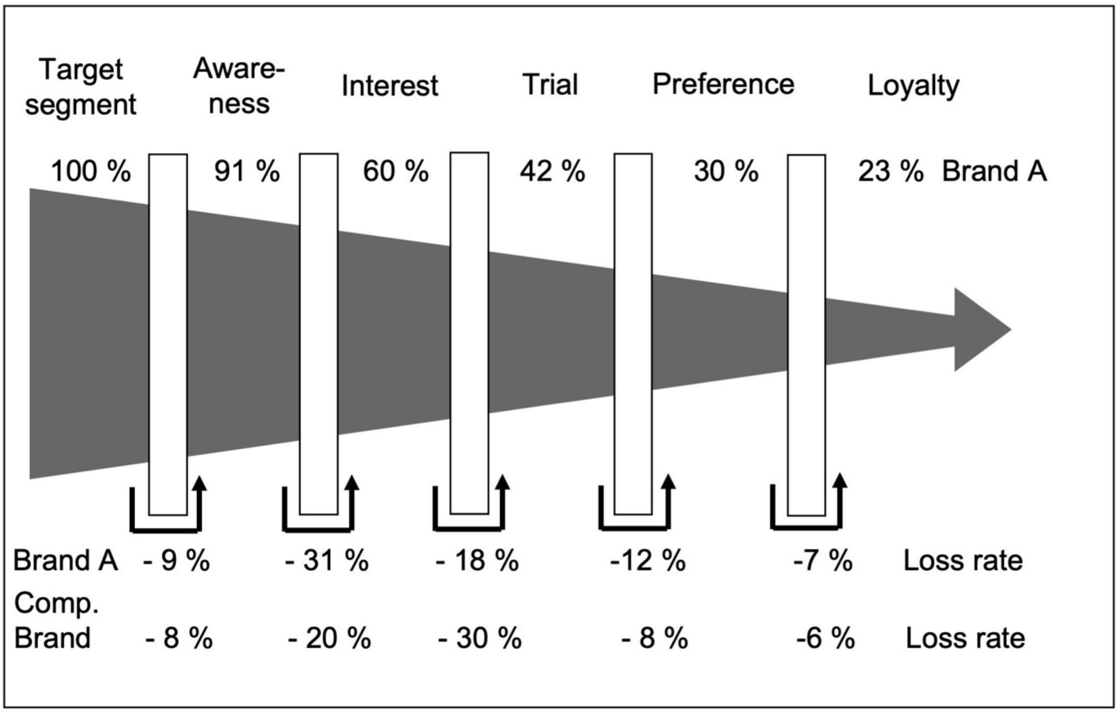

Fig. 19: Brand Funnel
Source: Reinecke & Janz, 2007, p. 155, based on Braun et al., 2003, p. 19.

The funnel visualizes weak points in the customer process: At which point in the benchmarking process does a brand lose particularly many (potential) buyers or customers?

The brand funnel is a simple, effectiveness-oriented tool that strives to provide top management with guidance on using (scarce) marketing resources effectively. Often, the goal is to use a reduced marketing budget more efficiently. However, the use of the brand funnel must be highly differentiated. The following challenges need to be taken into account:

- *Expansion of strengths or reduction of weaknesses:* The brand funnel is often interpreted as a defensive instrument. In those areas with deficiencies in the competitive comparison, one should invest to compensate for them. In contrast, one should avoid overinvesting in those stages where one performs relatively well. However, successful strategies are often based on the consistent expansion of relative strengths; this would mean that, if necessary, those levels in which one is already very good in a competitive comparison should be defended or even expanded through targeted investments.
- *Customer segmentation:* An aggregated view based on all customer groups is undifferentiated and can lead to consequential misconceptions. For example, the funnels of the "Millennials" and "Golden Agers" segments can differ significantly in terms of their strengths and weaknesses. A segment-specific analysis (and interpretation) is imperative to derive effective, different target group-specific marketing activities. Especially when comparing with the competition, it is essential to note that only the same customer groups should be compared.

- *Undifferentiated AIDA model:* The fundamental problem of the brand funnel is based on the assumption of the underlying AIDA model that the various impact stages must be passed through one after the other. This model assumption has been criticized heavily and is no longer upheld today in its original form (Aaker & Day*,* 1974, pp. 281; Edelman & Singer, 2015). For example, it must be considered that attitude influences buying behavior unilaterally and that buying behavior also influences attitude the other way around – for example, using the purchased service, a trial purchase, or in the form of a Zero Moment of Truth (ZMOT) in the Customer Journey (Hanssens & Pauwels, 2016). Furthermore, there are impulse purchases, a shortened purchase decision process or funnel. The newer versions of the brand funnel distinguish between awareness, familiarity, consideration, purchase, and loyalty.
- *Insufficient differentiation by the degree of involvement:* Consumer involvement, which is defined as the degree of inner participation or personal commitment with which consumers turn to communication or a product, for example (Kroeber-Riel & Groeppel-Klein, 2019, pp. 389), is insufficiently integrated into the brand funnel. For example, active brand awareness has been shown to have the highest behavioral relevance at low levels of involvement (in terms of performance). In contrast, the consumer's brand attitude primarily determines purchase behavior at high levels of involvement (Janssen 1999, p. 34).
- *Danger of uniform action implications:* Often, the goal of applying the brand funnel is already fixed in advance: financial resources are to be saved, and the remaining resources are to be invested highly efficiently. In practice, this leads to financial resources often being saved in the upper funnel stages such as in awareness generation, particularly in the case of mature brands, because expensive mass communication is usually required for this. It seems rational to save in this area to invest some of the funds in customer loyalty, for example, if above-average losses are recorded there. However, this can lead to milking strong brands in the short-term, at the expense of long-term firm performance.
- *Challenging allocation of the marketing budget to the funnel stages:* It is often not easy to allocate the marketing instruments used and their associated budgets to the respective funnel stages. Sponsorship, for example, can be aimed at both awareness and loyalty (through corporate hospitality measures). On the positive side, the brand funnel promotes differentiated objective setting and a prioritization of marketing instruments.
- *Market research data:* A prerequisite for applying the brand funnel is reliable market research data. If all budget decisions in marketing are made based on this instrument, high demands must be placed on the validity and representativeness of the data. As is the case with most market research data, its information potential only entirely unfolds over time through tracking analyses; one-off cross-sectional data is much less insightful.

Overall, when used in a differentiated, segment-specific manner, the brand funnel is a valuable auditing and management control tool for marketing executives, mainly because it is highly competitive and helps to set, prioritize, and control marketing goals in a differentiated manner. In company practice, the sequential logic of the funnel continues to dominate in order to structure the multitude of digital and analog contact points that customers visit as part of a dynamic and iterative process (Lemon & Verhoef, 2016). As an undifferentiated global instrument for (one-time) identification of savings measures, on the other hand, it is flawed; this is especially true if users are not sufficiently aware of the limitations of the underlying AIDA model. The funnel model (Figure 19) only unfolds its full potential when used on a segment-specific, repeated basis, i.e., when assessing the development over time.

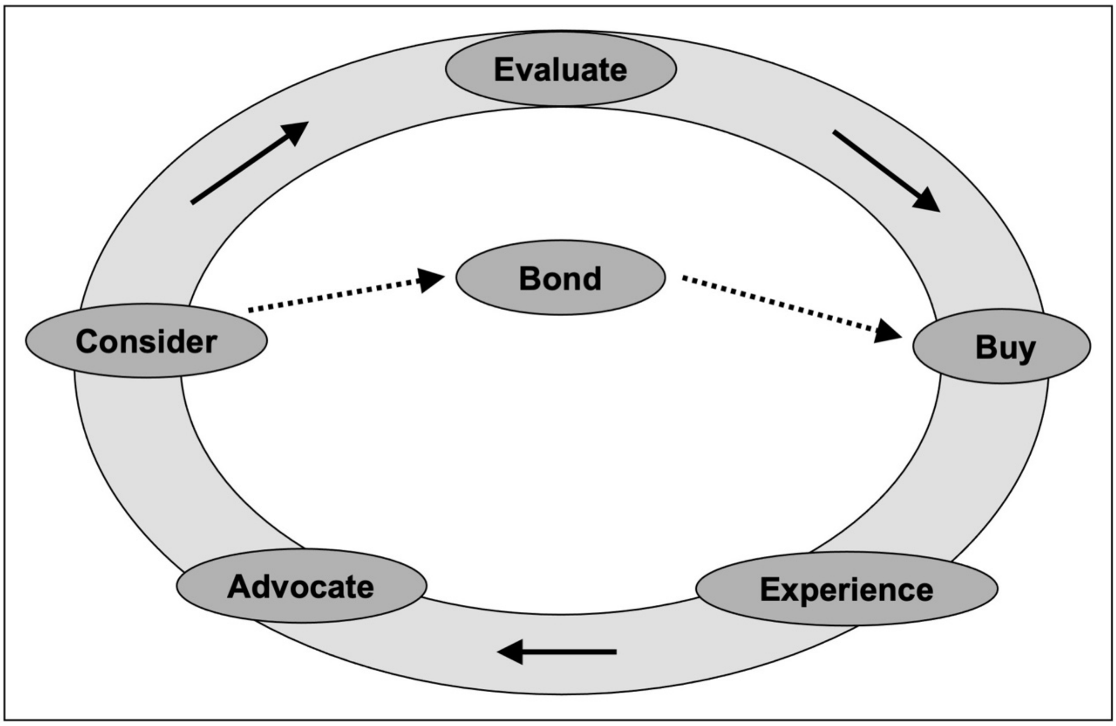

Fig. 20: Customer Decision Journey,
Source: Bauer et al. 2016, p. 42, Edelman & Singer, 2015, p. 90.

The relatively static brand funnel has been further developed over the years into a more dynamic purchase process analysis (Decision Journey Analysis) (Figure 20). The core idea here is that the evaluation phase in the purchase process is significantly shortened so that the model also covers impulse purchases and many online purchases.

3 Marketing as Driver of Shareholder-Value

When corporate strategy is focused on shareholder value, there is no need to redefine marketing. Yet, given that the demands of shareholders are at the center of a given marketing strategy, a certain change of emphasis is taking place (Table 3).

The system of marketing objectives is being expanded to include cash flow-oriented parameters in particular; factors such as time and risk are becoming increasingly important alongside conventional financial parameters such as sales and revenue. A company that pursues the goal of raising shareholder value has far greater scope for utilizing leverage (Rappaport, 1986; Srivastava et al., 1998, p. 9)

- *Increasing cash flow* (higher income, lower expenditure),
- *reducing risk* in regard to the generation of cash flow (Lower volatility/vulnerability of cash flow reduces capital costs),
- *accelerating cash flow* (time alignment and risk reduce the value of subsequent cash flows),
- *raising the residual value of an investment* (e.g., remaining term of a patent).

	Traditional assumptions	Extended assumptions
Purpose of marketing	Create value for customers	Develop and exploit market potentials to deliver shareholder value
Marketing stakeholders	Customers, competitors, partners	Shareholders and potential investors
Perspective on customers, products and channels	Objects of marketing's actions	Assets that must be cultivated and leveraged
Relationship between marekting and finance	Good market results lead to positive financial results	Interface between marketing and finance needs systematic management
Input to marketing analysis	Understanding of customers and the marketplace	Financial consequences of marketing decisions
Internal marketing decision-making participants	Principally marketing professionals, others if deemed necessary	All relevant managers irrespective of function or position
Management focus	Marketing mix	Management of the four core tasks
Decision enforcement	Input- and process-related instructions	Target-oriented instructions, internal discussion of feedback
Assessment of marketing activities	Spending resp. expenses	Impact of strategies on cash flow, generated added value
What is measured	Product market results, assessment of customers, channels, and competitors	Financial results; configuration of market-based assets (customer and brand equity)
Metrics	Sales, profit contribution, market share, customer satisfaction, return on sales	Net present value of cash flow, shareholder value

Tab. 3: Assumptions for Marketing Focused on Shareholder Value
Source: Reinecke, 2004, p. 230 based on Srivastava et al., 1998, p. 3.

Marketing and sales have traditionally been (excessively) driven by revenue and sales volume (Churchill & Mullins, 2001, p. 141); there has been little emphasis on the risks relating to cash flows or the speed at which cash flows are achieved (consider payment terms) (Pauwels & Reibstein, 2008). Such value drivers should not be overlooked; greater managerial attention should be given to the aspects of *current value of money* and *risk* in the context of marketing management control. The shareholder value approach enables companies to evaluate future marketing strategies. One of the key objectives of marketing is profitable growth. Cost reductions and downsizing my increase cash flow in the short-term, but only profitable sales growth can impact shareholder value in the long-term. Over a five-year period, sales growth of 10 percent (with a constant margin) translates into a 32 percent increase in shareholder value (Table 4); at growth rates of 20 percent, shareholder value rises by 78 percent. However, given that some funds are invested in growth stimulation, cash flow decreases in the short-term.

	Base	Year 1	Year 2	Year 3	Year 4	Year 5
Sales	100.0	110.0	121.0	133.1	146.4	161.1
Operating margin	10.0	11.0	12.1	13.3	14.6	16.1
Tax (30 %)	3.0	3.3	3.6	4.0	4.4	4.8
Net operating profit after tax (NOPAT)	7.0	7.7	8.5	9.3	10.2	11.3
Net investment		4.0	4.4	4.8	5.3	5.9
Cash flow		3.7	4.1	4.5	4.9	5.4
Discount factor (r = 10 %)		0.909	0.826	0.751	0.683	0.621
Present value of cash flow		3.4	3.4	3.4	3.4	3.4
Cumulated present value	16.8	Initial Shareholder Value				52.0
Present value of continuing value	70.0	Δ Shareholder Value (68.8 – 52.0)				16.8
Other investments	7.0	Implied share price (3 million shares)				€ 22.93
Value of debt	-25.0	Initial share price				€ 17.33
Shareholder value	68.8	Δ Shareholder Value				32%

Tab. 4: Example Calculation of Shareholder Value (in million €)
Source: Reinecke & Janz, 2007, p. 390 based on Doyle, 2000, p. 301.

This method also confirms the *positive influence of strong brands* on shareholder value. Many strong, market leading brands achieve a clear price premium of up to 40 percent; strong brands have greater advertising elasticity (and thus effectiveness), are characterized by ease of brand/product enhancement and are associated with low risk (Doyle, 2000 and references cited therein).

The example in Table 5 shows that shareholder value can be more than doubled where a 10 percent higher price is asserted. "There is no more dramatic proof of the power of brands than simulating the effects of brand premiums on shareholder value on spreadsheet" (Doyle, 2000, p. 303). Although cost reductions of 10 percent (owing to lower listing payments to retailers, for example) can also achieve a substantial 35 percent increase in shareholder value, they have a far lesser impact. Where a company succeeds in cutting investments by 10 percent (for example, by optimizing distribution partnerships), this equates to a seven percent increase in shareholder value.

	Dis-counted cash flow	Present value of residual	Share-holder Value	∆ Share-holder Value	Share price (in €)	∆ Share-holder Value in %
No sales growth	26.5	43.5	52.0	0.0	17.33	0 %
Sales growth (+ 10 % p.a.)	16.8	70.0	68.8	16.8	22.93	32 %
Sales growth (+ 20 % p.a.)	2.2	108.2	92.3	40.3	30.76	78 %
Price increase (+ 10 %)	51.3	86.9	120.2	68.9	40.07	131 %
Operating costs cuts (- 10 %)	33.4	54.8	70.2	33.6	23.40	35 %
Investment rate cut (- 10 %)	30.2	43.5	55.6	3.6	18.53	7 %
Accelerated cash flow (1 year)	18.2	70.0	70.2	18.2	23.40	2 %[1]
Cost of capital cut (- 10 %)	27.2	45.5	54.7	2.7	18.23	5 %
Extended growth period (1 year)	20.5	70.0	72.5	20.5	24.17	5 %[1]

[1] Compared to base strategy (10 % Revenue growth)

Tab. 5: Simulation of the Effects of Marketing Strategies on Value of a Fictitious Company (in million €)
Source: Reinecke & Janz 2007, p. 391 based on Doyle, 2000, p. 304.

In most cases, the residual value of an investment comfortably exceeds the value of the cash flow, which is generated in the planning period (for example, five years). This ultimately depends on two factors: the sustainability of a company's competitive advantage (and thus brand strength) and the generated real options for growth (Copeland & Antikarov, 2001). Specific marketing expertise (such as a unique skill in product development), strong customer relationships, exclusive distribution systems and strong brands (Reinecke, 2004, pp. 232) significantly influence cash flow.

Marketing control and management divisions can not only demonstrate the positive effects of profitable, marketing-induced growth strategies with shareholder value calculations, but also proof that a reduction in advertising costs reduces shareholder value in the long-term, despite an initially increasing operating profit.

The direct effect of advertising on sales is minor; the largest advertising elasticity observed is 0.3, which means that intensification of advertising of ten percent produces a sales growth of three percent (Hanssens & Pauwels, 2016).

In low involvement situations, the pressure exerted by senior management on marketing (communication) budgets can be extremely high, particularly because two thirds of costs are variable. However, the calculations in Table 6 clearly outline the damaging impact on long-term shareholder value where short-term cost considerations result in advertising expenditure (of five million Euros) being cancelled in such a situation – even if it positively influences operating profit in the first instance. (The initial assumption is that advertising elasticity is only 0; complete cessation of advertising reduces sales by just 10 percent; and this effect is halved every year. The second assumption is that the lower sales volume results in a lower price premium because the retails sector is able to enforce bigger discounts.) Overall, the cessation of investment in advertising cuts shareholder value by almost one third, an effect that can primarily be attributed to the lower price premium.

	Base	Year 1	Year 2	Year 3	Year 4	Year 5
Sales (unit)	100.0	90.0	85.5	83.4	82.3	82.3
Price	1.00	0.99	0.98	0.97	0.96	0.95
Revenue	100.0	89.1	83.8	80.9	79.0	78.1
Variable costs	66.7	60.0	57.0	55.6	54.9	54.8
Fix costs	23.3	18.3	18.3	18.3	18.3	18.3
Operating profit	10.0	10.8	8.5	7.0	5.8	5.0
Tax (30 %)	3.0	3.2	2.6	2.1	1.7	1.5
Net operating profit after tax (NOPAT)	7.0	7.5	5.9	4.9	4.1	3.5
Net investments		-4.0	-1.8	-0.9	-0.4	0
Cash flow		11.5	7.7	5.7	4.5	3.5
Discount factor (r = 10 %)		0.909	0.826	0.751	0.683	0.621
Present value of cash flow		10.5	6.4	4.3	3.1	2.2

Cumulated present value	26.4	Initial shareholder value	70.0
Present value of continuing value	21.6	Δ Shareholder value (48.0 – 70.0)	- 22.0
Shareholder value	48.0	Δ Shareholder value	- 31 %

Tab. 6: Simulation of the Effects on Shareholder Value of Cancelling Advertising Activities (in million €)
Source: Reinecke & Janz, 2007, p. 392 based on Doyle, 2000, p. 309.

Overall, there are *five main reasons* (see Figure 21) why shareholder value analyses are of benefit to marketing management (Doyle, 2000, p. 310; Lukas et al., 2005, pp. 416; for an extensive review see also Doyle, 2008):

1) The shareholder value approach helps marketing management *define clear objectives* and operationalize those objectives. Marketing thus pursues the aim of raising shareholder value rather than unprofitable growth.

2) Shareholder value analyses provide marketers with a *strong theoretical basis for argumentation* which speaks the language of senior management and the stock market. This simplifies cross-functional coordination.
3) The shareholder value approach enables marketing management to improve documentation of the *value of marketing assets*, which include superior knowledge and skills as well as brands and customer relationships.
4) When utilized correctly, shareholder value analyses substantiate *the benefits of profitable marketing investment*; instead of being regarded as a cost (as in traditional accounting), marketing is presented and calculated as an investment. It is also possible to demonstrate that short-term and opportunist budget cuts have deeply damaging effects on shareholder value in the long-term (see also Mizik & Jacobson, 2007).
5) „Shareholder value analysis is tautological without a creative marketing strategy" (Doyle, 2000, p. 309). Value-oriented calculations are meaningless in the absence of a strategic basis setting out how to achieve competitive advantages (Day & Fahey, 1990, p. 162). Marketing is thus central to a strategic debate: in the long-term, why should a customer choose to purchase from our company rather than a competitor?

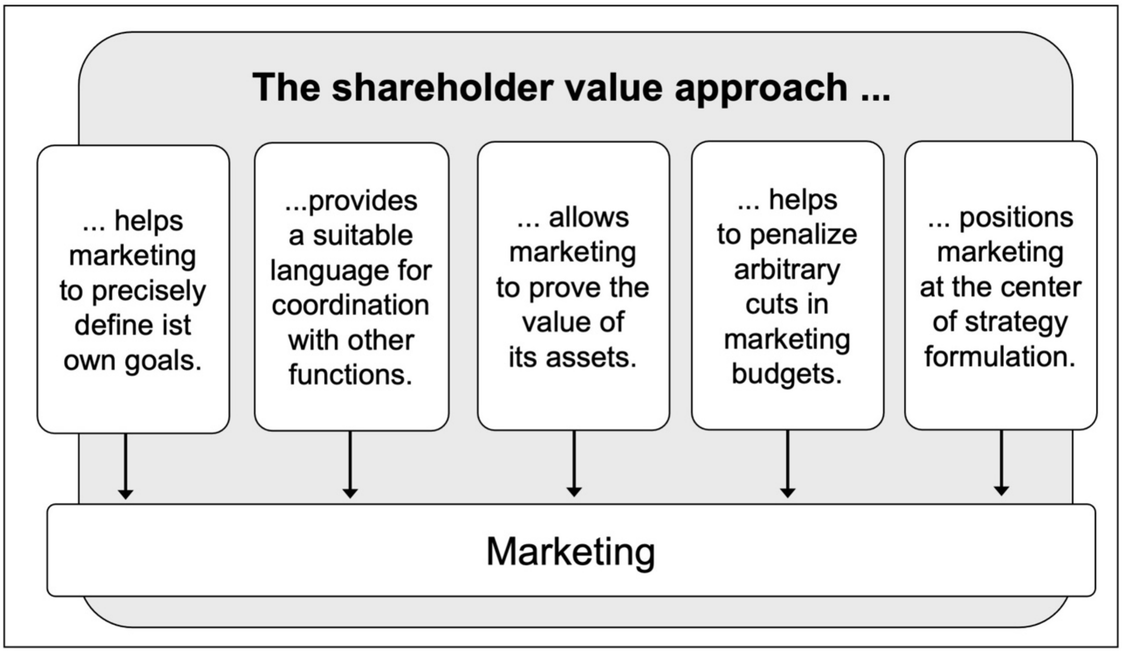

Fig. 21: Benefits to Marketing of the Shareholder Value Approach
Source: with close reference to Lukas et al., 2005, p. 416.

With an "inclusive" strategy of this kind, marketing managers can reveal a purely rhetorical application of the shareholder value concept. However, *this approach demands a genuinely long-term perspective*: without this, it can only lead to rationalization and downsizing (Lukas et al., 2005, p. 439) and not to an increase in shareholder value. After all, if marketing managers are unable to assess strategic sustainability in competitive comparisons, who is?

4 Customer Valuation

The task of strategic customer valuation is to pinpoint, expand, and leverage *future customer potential*. For example, this involves identifying time structural fractures in the customer base, which could present opportunities or threats (Link et al., 2000, pp. 67). Customer success potential is ascertained by means of customer equity concepts; long-term marketing strategies are then based on this potential in the next step. Selected methods of analysis are described below.

4.1 ABC analysis

One method commonly used by companies to analyze their customer base is the ABC analysis, in which customers are clustered according to a performance indicator (usually sales or profit contribution). Customers are thereby assigned to an ABC classification according to attractiveness, with A customers being the attractive and C customers the least attractive ones.

In many cases, this process results in a classic 80:20 distribution (see Figure 22). According to the so-called pareto principle, this means that 20 percent of all customers generate 80 percent of total turnover (or profit). Distributions such as 20:225 have been noted in individual cases (Cooper & Kaplan, 1991), whereby 20 percent of customers have generated 225% of profit and the remainder have lowered the average.

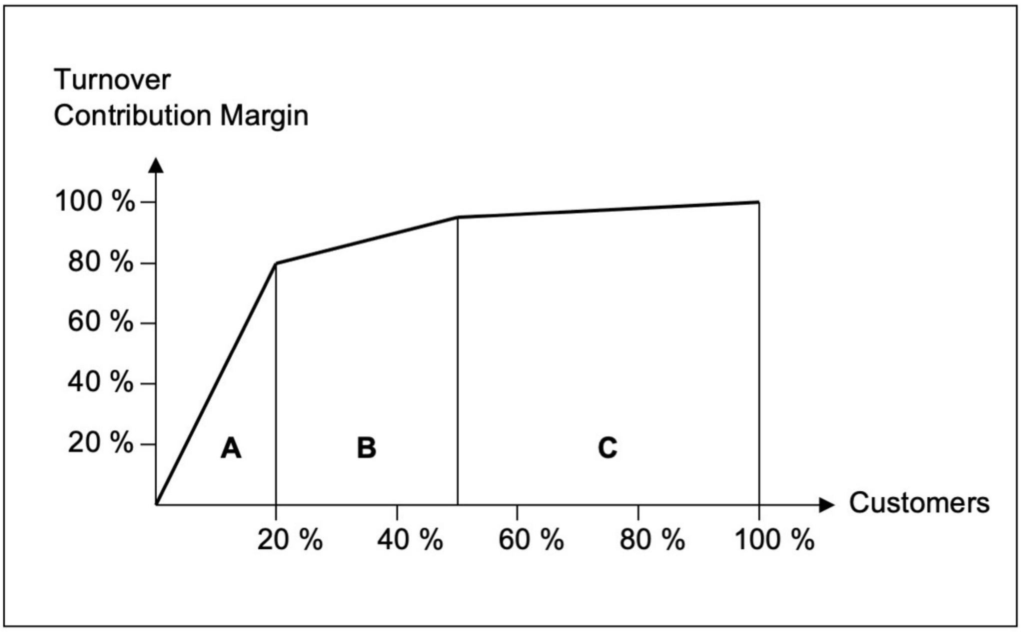

Fig. 22: ABC analysis with a 80:20 distribution
Source: Reinecke & Keller, 2006, p. 263.

Where cost-specific questions are at issue, it is often useful to incorporate sales as well as costs in the ABC analysis (Rieker, 1995, p. 56). Scheiter and Binder (1992) demonstrate with a case study that B customers can be most profitable when full costs are taken into account (see Figure 23).

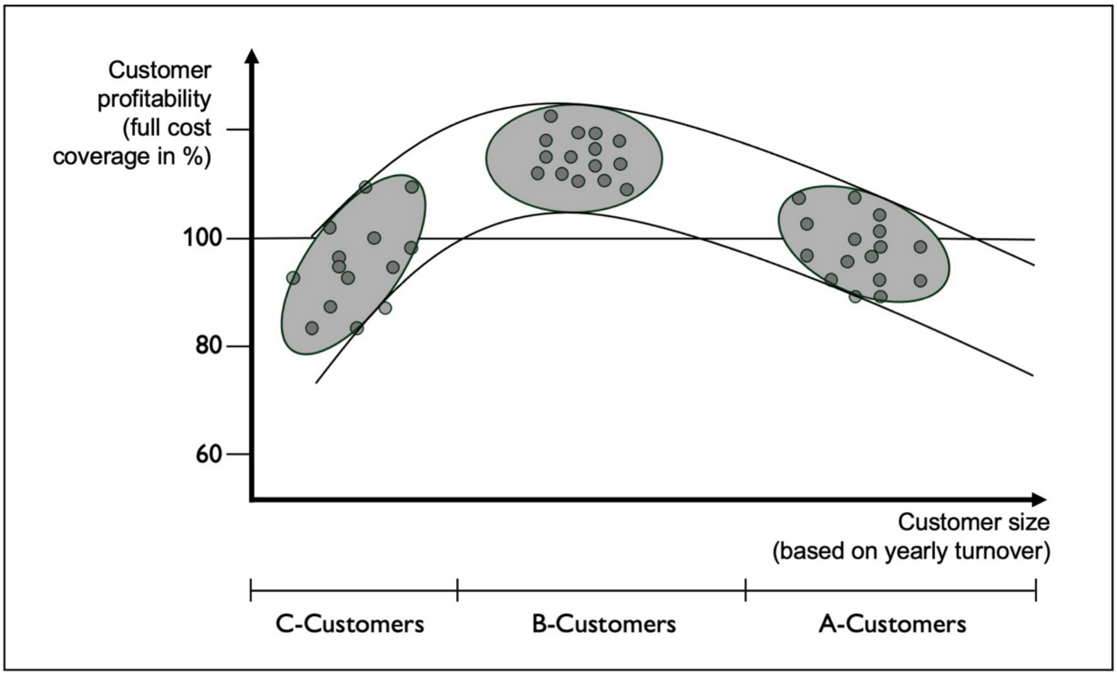

Fig. 23: ABC Analysis Based on Full Cost Accounting
Source: with reference to Scheiter & Binder, 1992.

An ABC analysis indicates which customers should be processed with high priority and which clients are making a lesser contribution to firm performance. The method is also useful for monitoring the equilibrium of the customer structure as well as shifts within this structure (Schmoeller, 2001, pp. 137). The method has serious shortcomings in view of its low level of future focus and its one-dimensional (i.e., monetary) evaluation of customers. Decisions on customer selection should never be made exclusively on the basis of a customer portfolio.

4.2 Scoring Models

Scoring models enable companies to take *monetary and non-monetary factors* into account. Rather than being fed directly into the analysis, key monetary data is expressed on a standardized scale adapted to the scoring model. As with classic *value benefit analysis*, scoring models start by drawing up a list of all relevant criteria. When customers have been assessed using these criteria on a standardized scale, the results are summarized to produce an overall value by means of weighting factors (see Table 7). The extent to which specific criteria influence the evaluation of customers is determined by the weighting applied. Decisions relating to the investment in customers are largely informed by a *customer's aggregated total score*.

	1	2	3	4	5	Weight	Value
Demand volume				X		30	120
Growth		X				10	20
Price enforceability			X			20	60
Customer loyalty			X			5	15
Creditworthiness		X				5	10
Delivery share					X	10	50
Order continuity			X			5	15
Lead user function	X					5	5
Strategic partner	X					5	5
Resource fit				X		5	20
Sum						**100**	**320**

Tab. 7: Scoring Model
Source: with close reference to Krafft & Albers, 2000.

The best-known scoring model is the *RFM (or RFMR) Model*, which takes its name from the elements of recency, frequency, and monetary ratio (Zhang et al., 2015). This method, commonly used in the online retail business, works by assigning higher scores to customers who have made purchases recently (recency) than to customers whose last purchase was made a long time ago. The more often a customer makes a purchase (frequency) and the higher the value of the purchase (monetary ratio), the higher the rating for that customer.

Given their *flexibility* regarding the number and type of possible variables (monetary or non-monetary) and the type of scale (nominal, ordinal or metric), scoring models are capable of reflecting the *multi-dimensional nature* of the customer equity construct. However, the methodological procedure for determining and operationalizing the parameters can be problematic. Since this procedure requires the most objective possible evaluation basis and a methodically developed summarization system in order to avoid false accuracy, the process of calculating the customer score ultimately determines the validity and viability of the evaluation tool. For example, the selected input criteria should be *complete* and *independent*. In company practice, this is also referred to as the *"MECE principle"* (*mutually exclusive, collectively exhaustive*), which is often not guaranteed in company practice due to the large number of criteria deployed. In recent years, for example, it has been shown in the digital consumer goods sector that predictions about individual, future customer behavior based on the RFM model can often be flawed because an important factor is not taken into account when creating customer profiles – the way in which consumers consume products and services (Zhang et al., 2015). Customers who buy (or consume) products at regular intervals and in small quantities (e.g., once a week) are often less valuable than those who consume or buy large quantities irregularly and in batches. This irregular but valuable "binge" consumption (also known as "clumpiness" in the marketing literature) is not sufficiently taken into account by RFM models.

Once again, this example demonstrates that models based on historical data are not always and inherently predictive. The parameter selection and operationalization of customer scoring models should therefore be critically examined in order to prevent ineffective steering of targeted marketing activities.

4.3 Customer Lifetime Value Models

Customer lifetime value models (CLV models) are most useful when the investment aspect and customer lifecycle are at the forefront of customer valuation (Jain & Singh, 2002).

Dwyer (1997) divides these models into two categories:

1) The *lost-for-good model* is based on the relational marketing approach; in other words, this model is focused on customer retention. Customers are strongly tied to a certain supplier because of high level commitment or substantial switching costs. If a customer terminates a relationship with a supplier, it is assumed that this customer has been lost for good.
2) *Always-a-share models* are based on customer migration. These models adopt a transaction-focused view, according to which customers are engaged in business relationships with several suppliers. According to the situation, customers decide which purchases to make from which supplier.

Models based on customer retention can be defined according to the entire customer base or individual clients. The net present value of a customer is determined by means of all present cash values for that customer across its entire lifetime (Reichheld & Sasser, 1990, p. 109; Blattberg & Deighton, 1996, pp. 137). In other words, the customer lifetime value calculation is derived from the sum total of discounted cash flows for that customer. Individual customer equities are added to give the customer lifetime value for an entire customer base.

The advantage of CLV models (compared to the models considered earlier) is that they are future-oriented and build on customer *cash flows* (Cornelsen, 200, p. 140). Given the multitude of calculation models that exist, the real challenge lies not in finding a model, but in choosing the operationalization appropriate to the strategic corporate context and making *assumptions appropriate to the situation*. The lost-for-good and always-a-share customer relationship models can help companies choose a model in line with firm strategy. In company practice, however, a conflict of objectives tends to arise between *complex, situation-specific modeling* on the one hand and *viability* and *methodical intricacy* on the other. Figure 24 shows the numerous influences on customer lifetime value that must be taken into consideration when performing calculations.

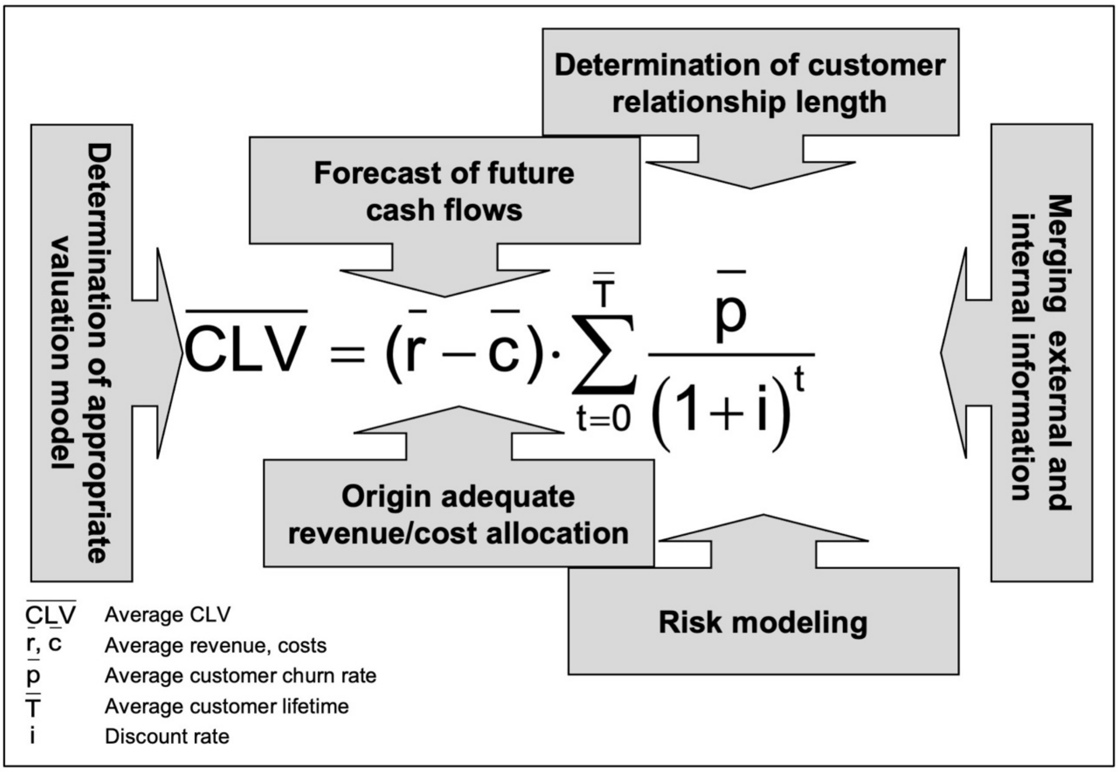

Fig. 24: Factors influencing Customer Lifetime Value
Source: own representation based on Reinecke & Keller, 2007.

Developments in the field of customer lifetime value analysis are moving towards an integrated, dynamic approach that increasingly uses psychographic variables in addition to monetary ones (Heidemann et al., 2009).

Customer-centric companies in particular are aligning their marketing measures primarily with the customer value concept (Fader & Toms, 2018). The CLV is used as (one of) the main criteria for customer segmentation (Kumar & Rajan, 2009). The aim of such value-based segmentation is to identify and target profitable customer groups. Thus, marketing management based on customer value primarily pursues profitability goals.

4.4 Customer Portfolio Models

Similar to ABC analyses, customer portfolio models are used to analyze customer structure. The basic idea is to analyze the customer portfolio using two dimensions so that investment decisions can be made on the basis of the findings. One analytical dimension is linked to the manipulable corporate component while the other dimension reflects the (virtually non-manipulable) environmental element (Schmöller, 2001, p. 138). On the basis of the resulting customer concentrations, the spread of risk is assessed and customer management strategies are defined.

The customer portfolio model represents customers and customer segments on two axes (Figure 25). *Customer attractiveness* and a *company's own relative competitive position* are the dimensions most often applied. Potential variables for attractiveness include sales growth and the development of profit contribution as well as customer equity calculated using a scoring/customer lifetime value model. The company's own *"share of wallet"* is often used to determine the relative competitive position (Kumar & Rajan, 2009).

Customer portfolio analyses produce clear heuristics from which *norm strategies for customer processing and management* are derived. Where the portfolio matrix is split into four fields, customer (or customer segments) with high attractiveness and a weak competitive position can, for example, be designated "developing customers". In this case, it is necessary to check whether the competitive position can be improved with specifically targeted marketing activities (Link & Hildebrand, 1993, p. 53).

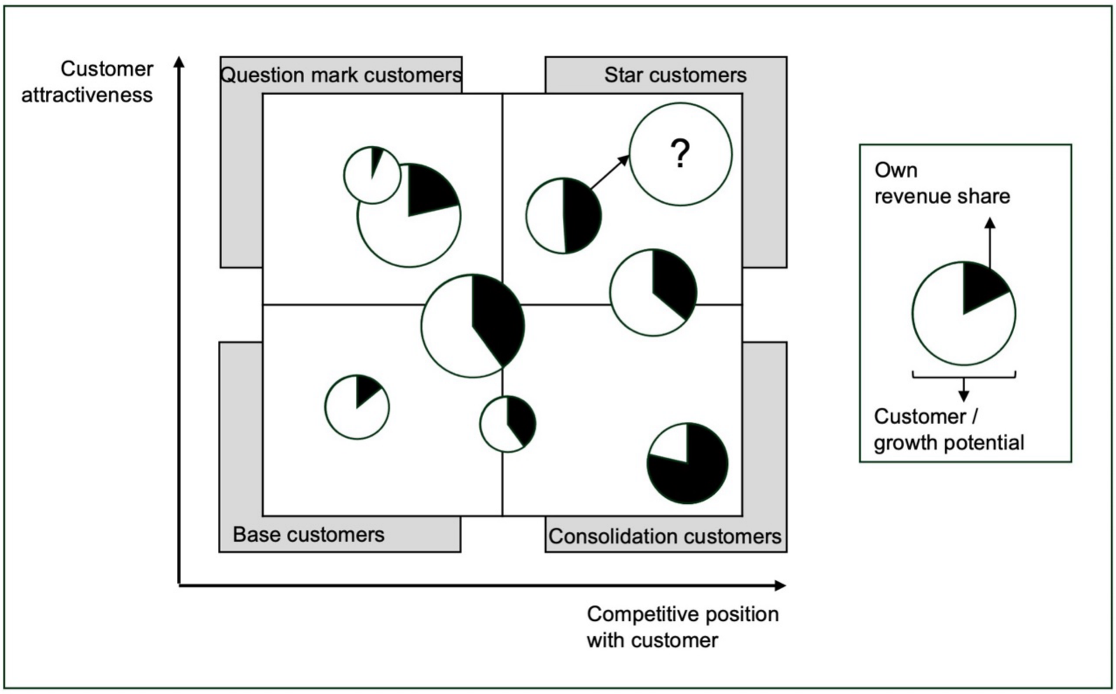

Fig. 25: Customer Portfolio Model with Target/Actual Comparison or Development Trend
Source: Reinecke & Keller, 2006, p. 266 with reference to Homburg & Daum, 1997, p. 396.

Given the degree of aggregation, this method is especially suitable for customer segments or companies with low numbers of customers. This also explains why this kind of analysis is widespread in the business-to-business (B2B) sector (Homburg & Schnurr, 1998, p. 183). Yet, a multi-level procedure is also feasible whereby, for example, all distribution channels (e.g., specialist trade, wholesale, exporters) are analyzed, followed by the individual companies in each channel (e.g., specialist dealers). Despite the considerable reduction in complexity, the method provides enough stimuli to enable the compilation of managerial implications; norm strategies must nonetheless be treated with caution.

5 Management Control of Brand Knowledge, Strength and Value

Brand control can be interpreted as a (partial) perspective on marketing management control. All aspects of marketing management control that are relevant to the brand are therefore also part of brand control. In the following, "brand" is understood as the overall perception of a labeled offering and its benefits by the customer in relation to competing offers (Meffert et al., 2024, p. 361).

Table 8 provides an overview of selected approaches to measuring brand strength and brand equity (based on Keller, 1998, 2000, 2013), which are presented below, closely based on Tomczak et al. (2004).

<table>
<tr><th colspan="3">Methods for measuring brand knowledge</th></tr>
<tr><td colspan="2">Quantitative methods</td><td rowspan="2">Qualitative methods
☐ Free associations
☐ Projective techniques
☐ Capturing brand personality and associated values
☐ Protocols of thinking aloud
☐ Measuring inner images</td></tr>
<tr><td>Approaches to measuring brand awareness:
☐ Recall tests
☐ Recognition tests
☐ Evoked set analyses</td><td>Approaches to measuring brand images:
☐ Image profiles
☐ Innovative approaches</td></tr>
<tr><th colspan="3">Methods for measuring brand strength und -value</th></tr>
<tr><td colspan="3">☐ Global models (financial): cost-oriented, capital market-based and income-oriented brand value calculations.
☐ Criteria-oriented models (predominantly behavioral)</td></tr>
</table>

Tab. 8: Selected methods for measuring brand knowledge, strength, and value
Source: based on Tomczak et al., 2004, p. 1827 und Keller, 1998, 2000, 2013.

5.1 Brand Knowledge Measurement

Behavioral research approaches (Aaker, 1991, 2010; Keller, 1993, 2000; Keller & Brexendorf, 2019) assume that a brand is successful on the market when consumers develop an image of it that is linked to positive associations. In the following, the brand knowledge of consumers, the individual dimensions of this knowledge and methods for measuring it will be discussed (based and updated on Tomczak et al., 2004).

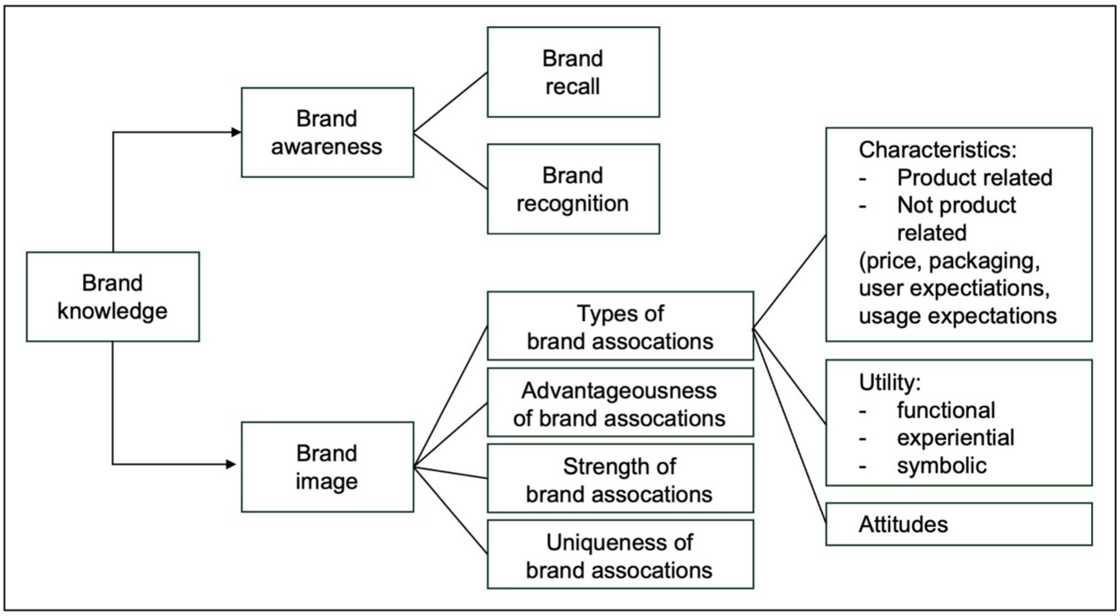

Fig. 26: Operationalization of Brand Knowledge
Source: Tomczak et al., 2004, p. 1828 based on Keller, 1993, p. 7.

Consumers' *brand knowledge* (see Figure 26) can be described and operationalized using two dimensions – *brand awareness* and *brand image* (Esch, 2019, pp. 29; Keller & Brexendorf, 2019, pp. 1411). *Brand awareness* is defined as the "ability of the consumer to remember or recognize the brand under various conditions" (Keller & Brexendorf, 2019, pp. 1411). A distinction is made here between *brand recall* (active brand awareness) and *brand recognition* (passive brand awareness). As a rule, brand awareness is described as a necessary condition for the formation of a specific image of the brand in the minds of consumers (Burmann et al., 2021, pp. 215-216). In the case of low involvement and similar images of different brands, brand awareness can even lead to a positive purchase decision under certain circumstances (Esch, 2019, pp. 207; Keller, 2000, p. 969). In many cases, however, brand awareness is not a sufficient, but merely a necessary condition for a brand to be given preferential consideration in the purchasing decision process. *Brand image* also plays a decisive role.

Brand image refers to the "perception and preference of a brand on the basis of various stored brand associations" (Keller, 2000, p. 969). Visual information often plays a more important role than verbal information in the formation of brand images (Kroeber-Riel & Groeppel-Klein, 2019, pp. 365; Paivio 1971, pp. 381). Overall, brand image can be characterized on the basis of several dimensions (Esch, 2019, pp. 30; Keller & Brexendorf, 2019, pp. 1411):

- *Types of brand associations:* Brand associations can be based on concrete product-related (e.g., taste) or non-product-related characteristics (e.g., yellow for the post office), but also on the benefits of the brand or certain attitudes.
- *Advantageousness of the brand associations:* Associations that positively differentiate the brand from other brands can contribute to a concise brand

image. It is important to note which associations or their characteristics are considered relevant and positive from the consumer's point of view.

- *Strength of brand associations:* Brand managers can strengthen the associations and thus also the brand image by taking care to provide consumers with an image of the brand that is as consistent as possible over time.
- *Uniqueness of brand associations:* If a brand stands out due to an outstanding characteristic, this helps to make the brand appear less interchangeable in consumers' purchasing decision process.

Quantitative Methods for Measuring Brand Knowledge

In the following, selected *quantitative methods* for measuring brand knowledge (brand awareness and brand image) are discussed (Keller & Brexendorf, 2019, pp. 1416), which are used for brand control.

Recall and recognition tests are suitable for *measuring brand awareness*. The aim of recall tests is to determine active brand awareness (Keller & Brexendorf, 2019, p. 1417; Kroeber-Riel & Groeppel-Klein, 2019, pp. 379). Accordingly, unaided recall measurements are used: consumers are asked to state from memory the brands they know in a certain category. The percentage of consumers who have named a given brand is commonly summarized in the metric *unaided brand awareness* (Romaniuk et al., 2017). The brand that is most frequently mentioned first in such surveys is referred to as *top of mind* (TOM) of the respective product category. *Recognition tests* are used to determine passive brand awareness (Kroeber-Riel & Groeppel-Klein, 2019, p. 379 and Keller & Brexendorf, 2019, pp. 1416-1417). In such tests, consumers are usually presented with a list of brands (names) in a certain category and are asked to mark the brands they recognize. The use of recognition tests is particularly (but not exclusively) recommended when there is a relatively low level of consumer involvement and therefore the decision in favor of a particular brand is usually only made directly at the point of sale. For survey-related reasons (respondents' tendency to agree), the measured recognition should usually be higher than the actual recognition.

Another possibility is to conduct so-called *evoked set analyses*, which combine awareness and image measurements by means of surveys and observation (Spiggle & Sewall, 1987, p. 100); they follow a classic "hurdle process": Of all available offers (total set), only those offers or characteristics that the customer is aware of are relevant; one can only perceive what he or she is aware of (awareness set). The customer develops certain attitudes towards these offers based on their needs relevant to the purchase decision (evoked set). In turn, only some of the offers are selected (action set).

The image profile survey is the best-known method for *measuring brand image*. Consumers are asked to assess brands in a certain category on the basis of a predefined list of associations. Such image profiles are often used to control brand positioning. Before such studies can be carried out, it is necessary to compile the relevant associations, determine the target group (in order to be able to select suitable customers for the survey) and determine which brands are in competition with each other in the category under consideration (Aaker, 1991, pp. 137).

Compared to qualitative methods, image analyses using the method described have the *advantage* that they concentrate on the central associations and can be collected in a representative manner. In addition, the results can be visualized. Some of the deficits correspond to those of the "classic" positioning model (Trommsdorff & Paulssen, 2000, p. 1056). For example, the associations used are often not equally relevant for the different brands.

Qualitative Methods for Measuring Brand Knowledge

In addition to quantitative approaches, there are various *qualitative methods for measuring brand knowledge*. They are often used to prepare questions (e.g., to select associations for classic, quantitative image measurements; Keller & Brexendorf, 2019, pp. 1412) or to deepen the findings of quantitative studies.

In the *free association method* (Aaker, 1991, pp. 137; Keller & Brexendorf, 2019, p. 1412), consumers should give free rein to their thoughts and spontaneously state as much as possible that comes to mind about certain brands.

The use of direct survey methods to measure consumers' brand knowledge is not always the appropriate market research method. In some situations, consumers are unable or unwilling to provide information about their attitudes towards brands, for example because they are not aware of them or because they contradict social desirability. Indirect, *projective techniques* are suitable for overcoming these barriers (Aaker, 1991, pp. 137; Keller & Brexendorf, 2019, p. 1413). One possibility is to ask consumers to characterize a typical user of the brand in question and to describe the occasions on which he or she normally uses or consumes the brand.

Valuable information about consumers' brand perception and brand knowledge is provided by studies on *brand personality* and the corresponding *values* (Aaker, 1991, pp. 137; Geuens et al., 2009; Ghorbani et al., 2022; Keller & Brexendorf, 2019, pp. 1414-1415). In this method, consumers are given the task of imagining that the brand is a person. They are asked to characterize this personality in as much detail as possible (appearance, clothing, personal values, profession, social behavior, etc.). The results of such surveys often provide conclusions about how consumers experience the brand and how they see their relationship with the brand.

Detailed information about consumers' brand perceptions can be obtained through *protocols of thinking aloud* (Grunert, 1990; Redler et al., 2019, p. 1166). For example, consumers are asked to describe not only verbal but also visual associations and emotional impressions (e.g., enjoyment, joie de vivre, safety) of the brand in question. The aim is to obtain as much information as possible about the different dimensions of brand knowledge (linguistic, visual, emotional, brand comparisons, etc.). The results can be used to check the positioning of the brand and to make comparisons between consumers' knowledge of their own brand and that of competing brands or the category in general.

The approach to *measuring inner images (imagery)* focuses on consumers' visual memory structures about brands (Bekmeier-Feuerhahn, 2000, pp. 1023; Kroeber-Riel & Groeppel-Klein, 2019, pp. 273; Redler et al., 2019, pp. 1159). When measuring inner images, primarily their vividness (liveliness) and thus their clarity, distinctness (Kroeber-Riel & Groeppel-Klein, 2019, pp. 273), or accessibility (Bekmeier-Feuerhahn, 2000, p. 1024) is assessed. Both verbal scales and picture scales can be used to survey visual brand perceptions.

In summary, it can be said that a combination of quantitative and qualitative methods is generally recommended in order to obtain the most comprehensive and representative, but also profound and unbiased information about consumers' brand knowledge.

5.2 Measurement of Brand Strength and Brand Value

Brand equity measures a brand's potential for success. Despite its importance, however, this term is used in very different ways. The different definitions of brand equity are due in particular to the different objectives of brand valuation. While some authors strive for a monetary valuation in the sense of a balance sheet value, other scientists focus more on behavioral brand management.

A model by Srivastava and Shocker (1991) combines the behavioral and financial perspectives (see Figure 27). The authors distinguish between the two terms "brand strength" and "financial brand value" as part of an overarching brand equity concept:

- "*Brand strength may be defined as the set of associations and behaviors on the part of a brand's customers, channel members, and parent corporations that permits the brand to enjoy sustainable and differentiated competitive advantages (i.e., brand strength results in barriers to competition and, therefore, some degree of monopolistic power to the firm controlling the brand)*." (Srivastava & Shocker, 1991, p. 9) Brand strength depends on the current performance and profitability of a brand, the reliability of profit expectations and the potential for expansion and growth. These three drivers are in turn determined in particular by behavioral factors (e.g., awareness, appreciation, loyalty and associations). Specific industry factors such as competitive intensity also have an impact on brand strength.
- "*Brand value is the financial outcome of management's ability to leverage brand strength via tactical and strategic actions in providing superior current and future profits and lowered risks. As such, it depends on the ‚fit' of the brand with the firm's objectives, resources (including synergy with other products), and competitive market conditions*" (Srivastava & Shocker 1991, p. 9). The financial brand value therefore depends not only on the brand strength, but in particular on the management ability to convert the brand strength into a higher company value (= higher and more secure cash flows) with the help of suitable activities. Therefore, a financial measurement must be made on a company-specific basis from the perspective of the owner or a potential buyer (Bekmeier-Feuerhahn, 1998). For example, a

certain brand may have a higher financial value for another company because it has other resources (e.g., own distribution channels), competencies or a broader customer base.

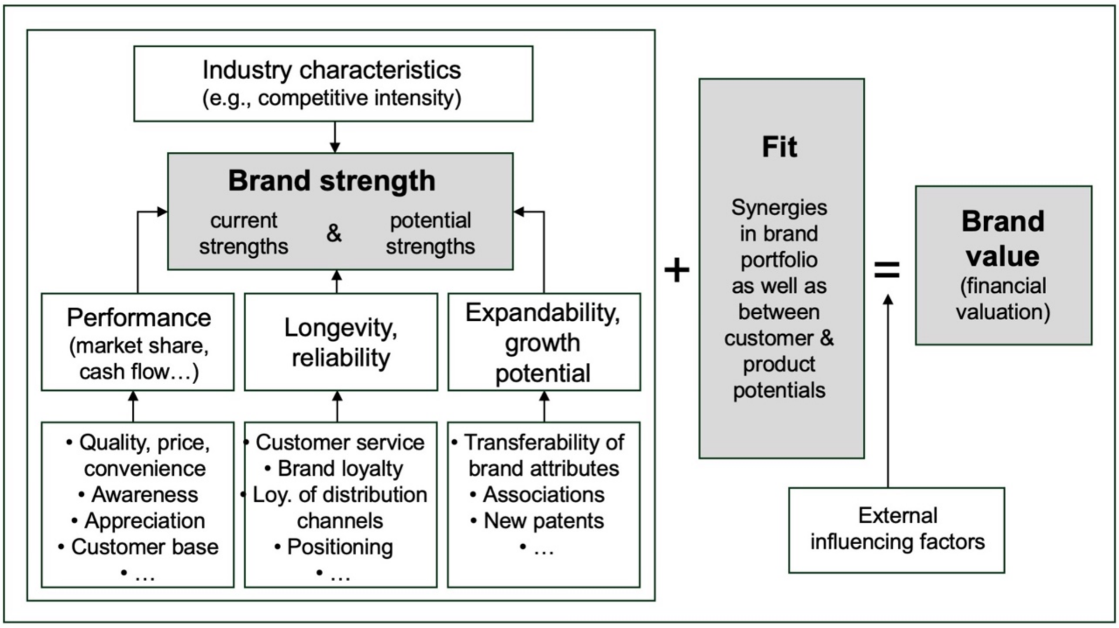

Fig. 27: Brand Value and Brand Strength
Source: Tomczak et al., 2004, p. 1834 based on Srivastava & Shocker, 1991, p. 7.

Brand equity is subsequently viewed as the *financially valuated result of brand strength actively shaped by management.*

Necessity and Purpose of Brand Valuations

There are a variety of reasons for brand valuations, such as the acquisition of a company, determining the amount of license fees, the capitalization of brands in balance sheets and the planning, management and control of brands (Kriegbaum, 2001, pp. 77; Salinas & Ambler, 2009; Esch et al., 2019, pp. 225). The benefits of brand valuations for marketing planning and control are relatively undisputed in marketing science (Aaker, 1996, pp. 314):

- Brand strength as a metric ideally *complements financial metrics* such as turnover, sales and market share (Franzen, 1995, p. 563) and expresses, among other things, changes in brand loyalty and market positioning (Cravens & Guilding, 1999, p. 56).
- Brand valuations help with *budget allocations*, are a suitable basis for managing a brand portfolio (Meffert, 1999) or for optimizing retail product ranges (Franzen, 1995, p. 563) and enable benchmarking with the competition.

- Ultimately, the *process* of brand valuation is particularly useful. This results in a gain in knowledge regarding the brand building process.
- Furthermore, brand valuations can be used for *investor relations*.

Overview of Methods for Measuring Brand Value

There is no general brand valuation method, but rather a large number of different methods (for a comprehensive overview, see Bentele et al., 2009). Basically, two basic forms can be distinguished: Global models (Table 9) and criteria-oriented models (Table 10) (Güldenberg & Franzen, 1992, p. 38).

Global models attempt to quantify the (financial) value of a brand as a whole (see Table 9).

Cost-oriented methods are backward-looking and can hardly guarantee a future-oriented brand valuation.

Although *capital market-based methods* are forward-looking, they are questionable as long as markets for brands are not efficient. Inefficiencies lead to enormous and objectively unjustifiable fluctuations.

Income-oriented brand value calculations estimate the financial value of a brand. This can, for example, be based on an analysis in which the "added value" (price premium) of a leading consumer goods brand is measured against a retail brand. However, the methods alone hardly provide any design information in the sense of a cause-and-effect analysis. They also have the problem of reciprocity: The assessment of future marketing activities affects the current brand value (Agarwal & Rao, 1996, pp. 237). Furthermore, problems arise in forecasting the cash flow, in defining the time horizon under consideration and in determining the discount factor (Herrmann, 1998, p. 493; Sattler, 2000, pp. 225).

<table>
<tr><th colspan="2">Cost-based methods: basic idea and evaluation</th></tr>
<tr><td>Valuation of a brand based on a calculation of the costs associated with this brand:
a) Evaluation of the set-up costs (costs that have been associated with the set-up of a brand)
b) Estimation of the replacement costs (costs that would be associated with building a comparable brand name and business)</td><td>• Backward-looking; insufficient valid information on historical costs
• Difficult to allocate costs; problem of separating marketing costs from other costs
• Replication of a brand often not possible due to market capacity without affecting the value of existing brands</td></tr>
<tr><th colspan="2">Capital market-based methods: Basic idea and evaluation</th></tr>
<tr><td>These methods attempt to evaluate the price at which a brand could be sold</td><td>• Real markets for brands hardly exist
• Brand valuations based on indicators fluctuate greatly (an indication of inefficient markets)</td></tr>
<tr><th colspan="2">Income-based methods: Basic idea and evaluation</th></tr>
<tr><td>Income-based methods: Basic idea and valuation
These methods attempt to calculate the brand value on the basis of preferences that are not attributable to product differences:
• Determination of discounted cash flow differences between branded and non-branded products by calculating sales volume differences and the price premium
• Estimation of profit losses due to preference differences that would arise if brand names were omitted
• Valuation of discounted (potential) license income</td><td>• Price premium often practicable, understandable and therefore accepted solution
• Difference estimation hardly possible in markets without non-branded products
• Price premium model leads to systematic overvaluation of small preference brands and undervaluation of price-quantity brands in markets with similar prices; market definition problem
• Despite discounting, static models that take neither brand management nor possible brand extensions into account
• Problematic determination of time horizon, interest rate and cash flow forecast in cash flow calculations</td></tr>
</table>

Tab. 9: Global Models for Brand Valuation
Sources: based on Tomczak et al., 2004, p. 1837 and Aaker, 1991; Srivastava & Shocker 1991; Simons & Sullivan 1993; Keller, 1998, pp. 349; Sattler, 1998; Cravens & Guilding 1999, pp. 58; Baumgarth, 2001, p. 236.

Criteria-oriented models attempt to evaluate brand strength (see Table 10); only a few approaches also quantify brand strength in financial terms. With these methods, the question arises as to whether the indicators used in the individual brand value models and their weighting are viable in principle and, in particular, whether they can be applied to the company-specific situation (Wiedmann, 1994, p. 1320; Esch & Andresen, 1994, p. 217). The number of criteria used also varies greatly. Agarwal and Rao (1996, pp. 238) were able to show that the ten most important indicators for brand equity converge – but in order to explain purchasing decisions as completely as possible, all of them are still needed. The greater the aggregation, the greater the doubts as to whether a summarized brand value (index) or statements about its development are sufficient to derive specific recommendations for action (Wiedmann, 1994, p. 1320; Keller 1998, p. 365).

Criteria-oriented models: Selected methods and evaluation
Brand Asset Valuator (2000): This is a hierarchical criteria model that was developed by Young & Rubicam and has been used since 1993. It is made up of brand strength (brand differentiation and brand relevance) on the one hand and brand stature (brand appreciation and brand knowledge) on the other. In research, an addition of the factor energy (innovation, dynamics) is proposed or applied (Ha et al. 2021). *Brand equity ten according to Aaker (1996, pp. 318):* Price premium, satisfaction/loyalty, perceived quality, leadership/popularity, perceived value, company associations, brand personality, brand awareness (recognition, recall, top of mind, brand dominance, brand familiarity, brand knowledge), market share, price, degree of distribution. *Interbrand model:* In this method, ten brand strength dimensions are condensed into a brand strength index in a scoring process. This is used to determine an adequate risk interest rate for discounting future brand earnings. The calculation also takes into account what proportion of purchasing decisions can actually be attributed to the brand (Rocha, 2017, Interbrand 2023).
Evaluation of criteria models
• Generally highly practicable and well suited for portfolio models • Basic assumptions of the models are often highly simplistic and rarely empirically supported, insufficient operationalization of the constructs • Sometimes lacking consistency, subjective selection and weighting of criteria • With the exception of Interbrand, rarely quantified in financial terms

Tab. 10: Criteria-oriented Models for Brand Valuation
Sources: own representation based on Tomczak et al., 2004, p. 1838.

The Interbrand Brand Valuation Method

Interbrand has been carrying out brand valuations since 1988. Interbrand was involved in the development of ISO 10668 (requirements for monetary brand valuation) and the Interbrand marketing valuation methodology was the first to be certified as compliant with its requirements. As it is one of the few models that leads to a financial brand value, it is briefly described below.

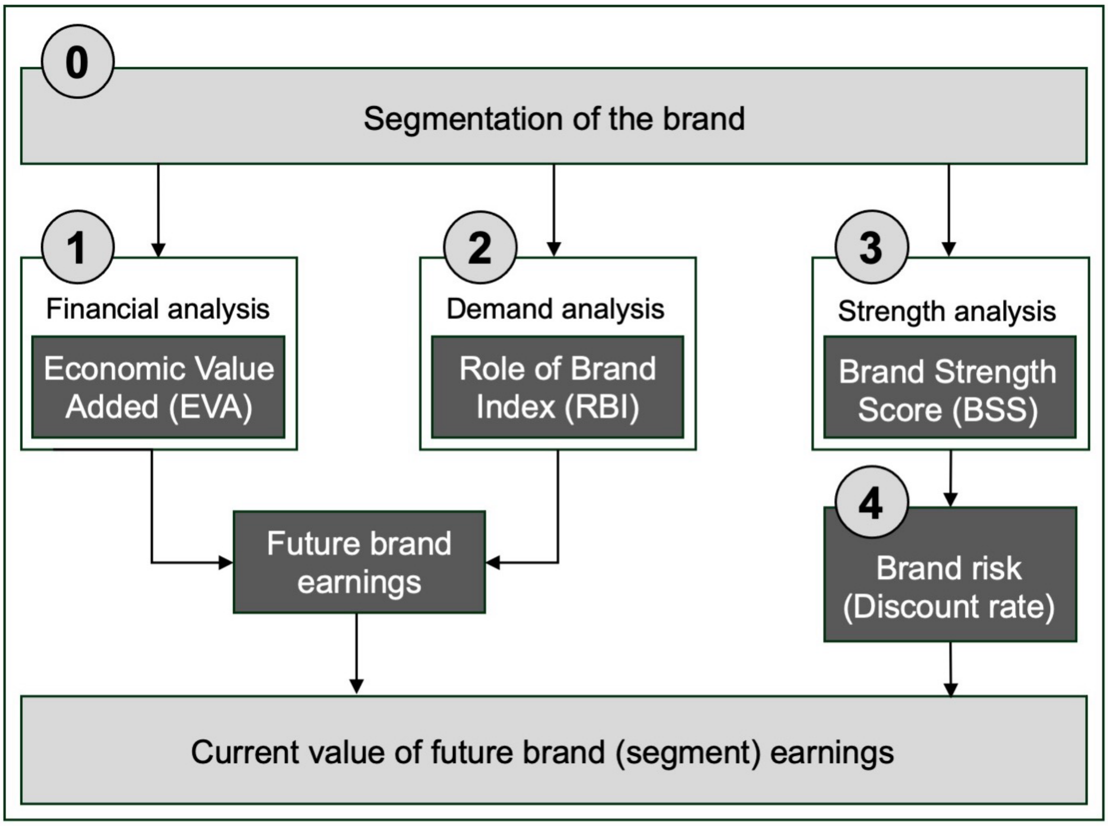

Fig. 28: Interbrand Brand Valuation Method
Source: closely based on Rocha, 2017.

Interbrand's valuation method (see Figure 28) is based on the following key analyses, which are carried out separately in each of the submarkets (segmentation) in which a brand operates (Rocha, 2017; Interbrand, 2023):

1) *Financial analysis:* First, the financial performance of the brand products or services is evaluated using an economic value-added analysis.

2) *Demand analysis:* Interbrand uses market research and estimates to analyze what proportion of purchasing decisions can be attributed to the brand (*Role of Brand Index*). If, for example, consumers would strictly refuse to buy a brand other than their preferred brand, then the index for this brand would be 100 percent. In other words, the entire economic value added would be attributable to the brand. With a Role of Brand Index of 30 percent, 30 percent of purchasing decisions would be attributed to the brand.

3) *Strength analysis:* Using a comprehensive indicator model, Interbrand measures the competitive strength of the brand and its ability to promote loyalty and thus future demand and profit. The brand strength index is derived from a scoring model that uses the following criteria with different weightings:

- *Internal Factors:* Direction, Alignment, Empathy, Agility;
- *External Factors:*
  - Engagement, consisting of Distinctiveness, Coherence and Participation as well as

- Relevance, consisting of Presence, Trust and Affinity.

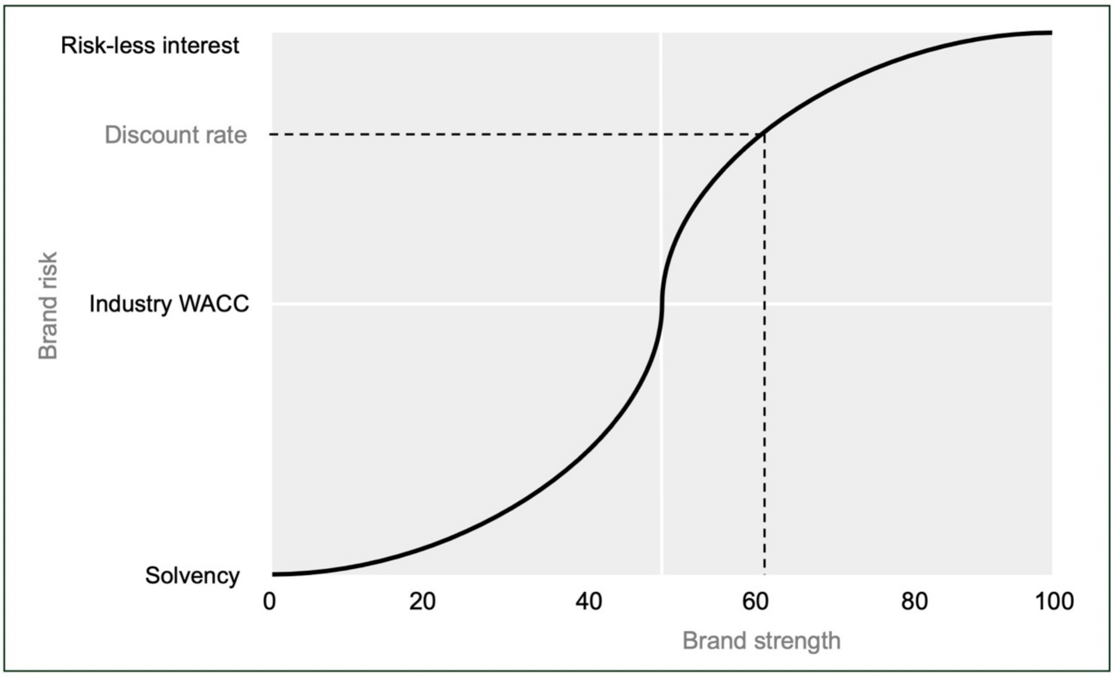

Fig. 29: Brand Strength as Determining Factor for the brand discount rate
Source: based on Rocha, 2017 und Interbrand, 2023.

4) Brand risk: An interest rate for discounting future earnings is derived from the brand strength index (see Figure 29). If the brand strength is lower, the risk and therefore the interest rate are higher; if the brand is very strong, the risk is low, which is why the interest rate used for discounting is lower.

The *brand value* corresponds to the present value of future brand (segment) earnings: For this purpose, the future annual brand-specific economic value-added values are discounted to the present day using the calculated risk interest rate, multiplied by the Role of Brand Index.

The Interbrand model is the world's best-known method for brand valuation. The positive aspect is that the model is applied separately for all sub-markets of a brand and therefore takes into account the special features of different markets. Furthermore, it is a consistent model that relies strictly on financial logic – analogous to company valuations. Due to the fact that brand valuations have been carried out over many years, brands can be analyzed over time, even if this is limited by occasional adjustments to the measurement method.

However, the subjectivity with regard to the selection and weighting of the brand strength indicators and their lack of independence (= correlation) is critical. The function (S-curve) for determining the respective risk interest rate from the brand strength index also appears somewhat arbitrary. Furthermore, the brand value is dependent on the tax rate due to the underlying EVA calculation model, which is not expedient for some analyses.

In summary, it can be said that the Interbrand methodology is certainly not optimal, but is nevertheless currently the most proven method for determining a financial brand value.

Fundamental Issues of Brand Valuation

Analyzing the various forms of brand valuation, the following fundamental challenges become apparent:

1) *Isolability/distinctiveness of individual brands:* Some of the valuation methods assume that costs and revenues can be allocated to a brand. However, as soon as a company offers more than one brand, a clear allocation of overhead costs is hardly possible in company practice (Aaker, 1991, p. 20; Srivastava & Shocker, 1991, p. 5; Franzen, 1995, p. 565; Keller, 1998, p. 356).
2) *Monetary transformation from brand strength to brand value*: In principle, there is a trade-off between a one-dimensional financial brand valuation and a more behavior-oriented multi-dimensional brand valuation (Sattler, 1995, p. 678; Jenner, 2001, p. 57; Kriegbaum, 2001, p. 118). Although there are interesting attempts to mitigate these trade-offs either through multipliers, as in the Interbrand model, it remains an ideal-typical attempt to capture and weight all influencing factors on the financial value comprehensively and empirically justified.
3) *Consideration of brand extensions:* Most methods evaluate the status quo of a brand. From a management perspective, however, the extension potential of a brand is also of interest, especially as many companies hardly ever introduce new brands, but generally extend existing brands (brand extensions). The transfer potential of a brand must also be evaluated as a real option (Jenner, 2001, pp. 60): Evaluation criteria for this are market attractiveness, growth rate, competitive intensity as well as the extent and fit of the brand extension (Jenner, 2001, p. 60). These aspects are often neglected, resulting in a brand value that is too low. Ultimately, however, the same applies here: Although such real options can be valued with the help of complex valuation models of option pricing theory, a certain false accuracy is feigned due to the large number of subjective assessments (Jenner, 2001, p. 57). Alternatively, valuation on the basis of expert judgments can be used, although this does not provide a precisely determinable value (Jenner, 2001, p. 58).
4) *Contextuality of the evaluation:* Most evaluation methods attempt to capture the value of individual brands. As a rule, however, companies operate on the market with several brands, so that a comprehensive evaluation would have to take the entire brand system into account: What synergies and antinomies exist between the individual brands? How should their relationship to a possible corporate (umbrella) brand be assessed? This again underlines the company-specific nature of brand value: the sources of income and thus the resulting value of a brand can vary depending on which company "owns" the brand in its portfolio. This ultimately explains why there is a market for brands (and therefore also for customer relationships), even if it is generally not efficient.

Integration of Brand Value in Marketing Management Control

Against the background of these challenges, what practical implications can be drawn for the measurement of brand equity in the context of marketing management control? The construct "brand equity" should never be confused with a single driver variable or brand strength. Rather, the measurement should always be multidimensional and a combination of different methods. Yet, purely behavioral measurements only reach marketing experts; they are not meaningful enough for other managers and the financial markets. The biggest challenge is the different time horizon: building brands takes time – and most companies do not have the necessary patience when it comes to financial aspects. The following recommendations can serve as a guide for a combination of methods:

1) Brand strength as the basis for operational decisions

Information on the key drivers of brand strength is an essential prerequisite for well-founded brand decisions. Criteria-based measurement methods are therefore required that cover the most important behavioral science variables and market-oriented metrics. Continuous (keyword: time series analyses), competition- and customer-oriented measurement is important here: In particular, the differentiation of a brand on the basis of customer-relevant aspects is a necessary prerequisite for long-term market success (Aaker, 1996, p. 328).

2) Measuring the financial value of an individual brand in special cases

Against the background of special situations, it seems sensible to calculate the financial value of an individual brand – for example in decisions on brand acquisitions (or sales) and licensing and in particular on any brand extensions.

The multiplier models based on the criteria-oriented methods are more suitable for stable business areas, while income-oriented discounted cash flow analyses are to be preferred for new business areas in which one does not have access to extensive data (Ward, 1989). On the other hand, the latter are not particularly useful when customer loyalty and switching costs are low, the speed of innovation is high and the brand is in an early stage of its life cycle (Srivastava & Shocker, 1991, p. 21). Due to the valuation uncertainties, sensitivity analyses are indispensable.

3) Portfolio-oriented measurement of the performance of multi-brand strategies

The previous references have been limited to the valuation of individual brands. Ultimately, however, the value of each brand is also influenced by the brand portfolio. So far, there are few differentiated indications in marketing science as to how the interaction between different brands should be evaluated. Nguyen et al. (2018) propose the coherence of a brand portfolio as an important criterion for successful brand portfolio management. According to this approach, the purchase and sale of brands and the launch or discontinuation of sub-brands can be evaluated in terms of their design, brand personality and status coherence. Aaker (1996, p. 239), on the other hand, has developed a role model: The individual brands in a portfolio are assigned different functions. However, there are hardly any other recommendations on the management of multi-brand strategies (Meffert & Perrey, 1998;

Burmann & Kanitz, 2012) or on KPI-oriented multi-brand control. It is to be expected that further criteria-oriented evaluation models for multi-brand strategies will be developed in the future. At present, a corresponding evaluation must still be limited to relatively simple instruments such as brand portfolios and migration analyses; analogies to business segment portfolios are also possible.

Conclusion: The descriptions have shown that there is no such thing as "the" brand value as an absolute and valid single value. Rather, marketing managers should strive to approach this construct using a mix of behavioral and financial methods in order to derive practical implications. Superordinate brand strength indices are suitable if they are explained by individual indicators. The financial brand value should at best be used as a continuous diagnostic indicator, but not as a management indicator; in certain special situations (e.g., when selling brand rights), however, it has an important function.

6 Marketing Mix Control Using Marketing Mix Modeling

6.1 Definition and Use Cases

Over the past 20 years, marketing mix modeling (often referred to as media mix modeling) has developed into a proven method for measuring the effectiveness of marketing activities (Chan & Perry, 2017; Krupp & Seitz, 2023). Due to the greatly improved data availability and numerous methodological improvements, it has become possible to model and quantify the relationship between the marketing mix and firm performance. The use of marketing mix modeling helps to position marketing internally as a driver of corporate success (Banfi et al., 2013). In German-speaking countries, marketing mix modelling is already regularly used in a good quarter (25%) of companies to optimize resource allocation in marketing (result of the executive survey from 2024 described above). Such modeling fulfils two fundamental functions:

1. *Marketing mix models calculate how the conducted marketing activities have affected sales or another financial metric* of interest (e.g., store profits or profit margin) over time (Chan & Perry, 2017). Based on the modeling, marketing executives can identify those media channels that have shown the highest relative effectiveness in the past. In addition, the modeling results exhibit in aggregate what percentage of the company's overall sales performance has been caused by marketing or marketing communication (often referred to as "media-driven sales"). In some companies, this total is used to calculate a "return on marketing investment" and thus to justify the marketing budget invested. Conversely, the part of the company's success that is not attributable to the marketing activities taken into account in the model represents the so-called "baseline". The baseline value thus indicates what firm performance outcome levels would have been achieved without marketing activities.
2. The identified causal relationships between the individual marketing activities and firm performance can be used *to estimate the effect of future marketing investments* (Hanssens, 2014; Kumar et al., 2020). The estimated model parameters are used in marketing mix simulations to predict the effectiveness of potential future strategies (Kumar et al., 2020). Consequently, marketing mix modelling enables a comparison of different, competing future marketing strategies, characterized by varying budget levels and resource allocations. Marketing mix modeling is therefore not just an instrument for justifying past marketing budgets to top management, but rather a *predictive control instrument* that supports strategy formulation in marketing.

The results of marketing mix modeling are therefore primarily used as a basis for budget allocation decisions and can help to improve the return on marketing investment. By shifting budget funds from less effective marketing channels to the most effective ones, a higher turnover or higher profitability can be achieved with the same budget level (Wiesel et al., 2011). Research shows that an improved budget allocation in marketing is more effective than an optimization of the aggregated budget level (Fischer et al., 2011).

6.2 Structure of Marketing Mix Models

The "regression-type" modeling is based on historical panel data of the company, its competitors and other external influencing factors. All data types should have the same aggregation level (e.g., product, category or overall market level) (Chan & Perry, 2017). In principle, the data required for marketing mix modeling can be divided into five categories (based on Chan & Perry, 2017; Pirker, 2023):

1. *Market response data ("response data")*: This category of data represents the dependent variable of interest in the model, which is (presumably) influenced by marketing activities. This is usually a financial metric that is closely tied to the overall corporate strategy (e.g., sales or a profitability indicator), or a customer behavior indicator such as the number of store visits.
2. *Media metrics:* Metrics such as media spend or advertising pressure (gross rating points) are recorded for the respective media channels and included in the model. The generation of data for all channels usually requires close cooperation with partner agencies, unless all campaigns are produced, placed, and controlled by the company itself.
3. *Marketing metrics:* In addition to media metrics, other operational marketing metrics are integrated into the model. Product and product range metrics, prices and discount promotions as well as other operational metrics (e.g., sales experience and training) also have a significant influence on the company's performance and should therefore be taken into account. A marketing mix model should therefore include all "4 Ps" of the classic marketing mix (product, price, place, promotion) (Jin et al., 2017).
4. *Control variables:* In order to capture the influence of marketing on firm performance as precisely as possible, it is essential to consider external factors that potentially affect firm performance but cannot or only indirectly be influenced by the company. These include, for example, macroeconomic trends, industry- or category-specific trends, competitor behavior as well as the weather and seasonality of the business model (Pirker, 2023).
5. *Intermediary variables:* In addition, customer attitude variables – so-called brand or customer mindset metrics – are increasingly being integrated into marketing mix models as an intermediary target level between the marketing activities (input) and firm performance (output) (Srinivasan et al., 2010; Pauwels et al., 2013; Pirker, 2023). The consideration of intermediary variables helps to better understand the influence of brand management on firm performance. For fast-moving consumer goods (FMCG) companies, for example, an average of a good third of the total sales variance is attributed to brand strength (Srinivasan et al., 2010).

Data collection and aggregation of the five categories is a major challenge for many companies. On the one hand, weekly data must be available at the same aggregation level for (at least) the last two years (see section Part 1, Chapter 6.1) in order to make well-founded predictions. In company practice, however, many key figures have different priorities and aggregation levels. While online data is available daily or even in real time, market research data is often collected on a quarterly basis (Pauwels & Reibstein, 2023). At the same time, financial data, especially in the retail environment, is usually available in a very granular form (e.g., at item level), while advertising data is collected in aggregated form (e.g. at overall brand level). On the other hand, the data sources are generated in different functions and departments or even companies (e.g., communication, revenue management, sponsoring, sales, agencies). Differences in data quality and the definition of metrics (cf. Cui et al., 2021) should therefore be analyzed and adjusted before the initial modeling in order to create a reliable database. In summary, a *cross-functional approach is required* to ensure the information supply and data quality of the model. Figure 30 summarizes the five data categories and their relationship as an example. It should be explicitly noted that marketing mix models should always be designed on a company-specific basis in order to meet the respective user requirements.

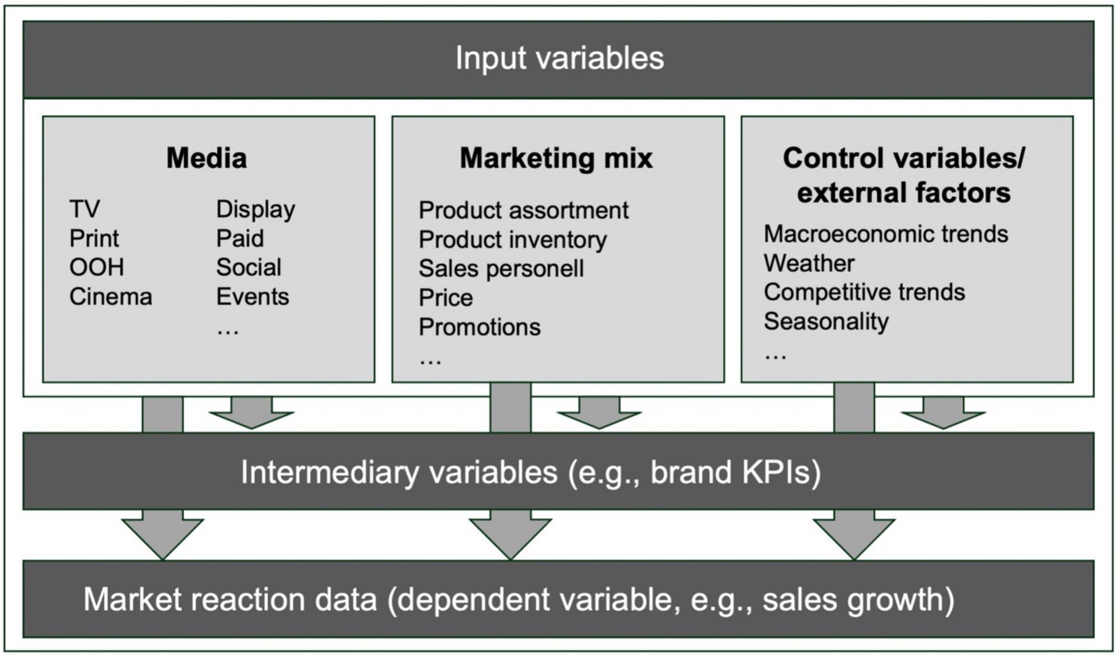

Fig. 30: Marketing Mix Modeling Framework
Source: own representation based on Pirker, 2023.

6.3 Estimation of Marketing Effects

The following key factors must be considered for model selection and specification:

The accurate measurement of marketing effects within a marketing mix model requires that the *non-linearity* of the relationship between marketing activities and firm performance is mathematically taken into account (Jin et al., 2017). In principle, the marginal benefit of the return on marketing investments is not constant

(Hanssens, 2014). Rather, it is assumed that marketing activities either have a strong initial effect, which decreases marginally with increasing investments (saturation effect), or an S-curve-like effect (weak initial return, accelerating effect up to a turning point, then saturation effect) (Pauwels & Reibstein, 2023). A saturation effect can, for example, be modeled with a multiplicative or semi-logarithmic model (Hanssens et al., 2001). Log-reciprocal models or logistic models can in turn represent an S-curve effect of marketing (Hanssens et al., 2001).

Another challenge in modeling is the *difficulty of estimating the long-term nature* of marketing effects (Jin et al., 2017). Since in many cases a part of the advertising effect only manifests itself in the periods after playout and thereby drives firm performance ("lag" or "carry-over effect") (Pauwels & Reibstein, 2008), a so-called adstock is modeled in innovative marketing mix models. The adstock comprises the lasting impact of past marketing activities on firm performance in future periods (Jin et al., 2017). Depending on the marketing channel, such an adstock can be modeled geometrically so that the effect of a marketing measure decreases continuously over time ("decay effect") or bell-shaped to represent a delayed effect (bell-shaped effect over time, also called "delayed adstock").

These explanations show that the modeling of marketing effects is not only mathematically demanding, but is also based on numerous *assumptions*. The decisions made during modeling are often characterized by great uncertainty and ambiguity. Even small modifications to the model equations and variable operationalization can lead to different results (Chan & Perry, 2017). It is therefore common to develop several *competing models* for the same data set and to evaluate and compare them using standardized criteria (Chan & Perry, 2017). A transparent exchange between the modeling experts and the respective users of marketing mix modeling (e.g., management of a brand or category) is therefore crucial to ensure an appropriate interpretation of the results.

6.4 Use of Marketing Mix Modeling in Combination with Other Control Instruments

In summary, marketing mix models are an important marketing management tool that managers use primarily as a basis for budget allocation decisions. However, marketing mix models only develop their greatest benefit when their use is coordinated with other marketing management control instruments. The causal relationships derived from a marketing mix model can, for example, be checked using field experiments (marketing mix models themselves are based on regression equations that derive a cause-and-effect relationship from correlations (Jin et al., 2017)) (Wiesel et al., 2011). The *MEME model* (sequence: model – experiment – model – experiment) is a proven approach for using marketing mix models and field experiments synergistically (Hanssens & Pauwels, 2016, p. 179).

7 Performance Measurement Systems in Marketing and Sales

"Marketing must make itself measurable and prove its value." This claim underlines the increasingly perceived need in both science and practice to accurately assess, demonstrate and optimize marketing's contribution to firm performance and value (e.g., Hanssens & Pauwels, 2016; Mintz & Currim, 2013; Rust et al., 2004). In this context, the use of marketing metrics represents an important control instrument for management. The present article outlines functions, quality criteria and basic principles for developing marketing and sales performance measurement systems. The risks of a one-sided focus on marketing metrics are also highlighted. Furthermore, the authors discuss the implementation of marketing performance measurement systems on the basis of a practical example.

7.1 Objectives and Quality Criteria of Performance Measurement Systems

"Metrics [...] are figures that inform about a quantifiable state of affairs in a condensed form" (Staehle, 1967, p. 62). The intrinsic characteristic of metrics is thus *the condensation of quantified information* (Gritzmann, 1991, pp. 30; Wolf, 1977, p. 11). They reduce the risk of technical and semantic communication disturbances from the information transmitter to the receiver to a minimum (Staehle, 1973, p. 223). In principle, however, metrics only gain significance through *comparisons* (Siegwart et al., 2010, p. 24): These are either internal time comparisons, target-actual comparisons, or object comparisons in which different business units or companies are analyzed with regard to the same metrics at the same point of time or period (Küting, 1983, p. 239).

In the following, performance measurement systems are understood as a purpose-oriented, structured outline of business metrics. They link selected performance indicators that are interdependent and complementary to each other. Similar to individual metrics, performance measurement systems primarily fulfill information tasks. Three *functions* can be distinguished (Caduff, 1981, p. 45; Geiss, 1986, p. 104): the *analysis function* (example: metric system of the balance sheet analysis), the *steering* or *control function* (certain metrics are used as target values, for example return on investment, market share or customer satisfaction) and the *documentation function* (recording of target-actual values).

What are the requirements for performance measurement systems (see also Siegwart et al., 2010 based on Caduff, 1981; Diller, 1976; Geiss, 1986; Reinecke, 2004)? A metric system is useful (purposeful) if it is problem-related, consistent, flexible, user- and organization-adequate, and efficient (see Table 11).

A useful performance measurement system is ...	
problem-related	• Metrics correspond temporally and factually to the objective pursued as a diagnostic or control instrument • Adequate level of information (level of aggregation, timeliness, periodicity) • Adequate information quality (validity and reliability) • Robustness (protection against manipulation and unwanted suboptima)
consistent	• Cause-and-effect relationship (i.e., usually model-based, early warning) • Free of contradiction • Balanced selection • Clear operationalization for measurement
flexible	• Possibility to dynamize the system, adaptability to changes (possibility to add and eliminate key figures) • Integrability of external data (e.g., from market research or digital sources) • Modularity
user- and organization-adequate	• Compatibility with organizational culture • Perceived usefulness of the system for users or stakeholders (subjective meaning, affectedness, response options, information content) • Credibility of the system (realism, completeness, specificity, consistency/validity) • Standardization • Integration into management and control processes • Compactness, transparency • Visualization and compression
efficient	• Reasonable effort of data collection and processing • Automation, degree of support through information technologies

Tab. 11: Requirements for Performance Measurement Systems
Source: Reinecke & Geis, 2022 based on Siegwart et al., 2010, pp. 55 und Reinecke, 2004, p. 77 and the literature cited therein.

A system of key figures is *problem-related* if the metrics used correspond in time and fact to the objective pursued (Geiss, 1986, p. 11). In particular, a distinction must be made here as to whether the system is designed to serve comprehensive, analyzing diagnoses by means of a large number of metrics or whether it is to be a strongly focused control system with few metrics. Principally, only one metric should be assigned to each planning and control-relevant issue (Palloks-Kahlen, 2001, p. 523). It is not possible to name a maximum or ideal number of metrics for a system; however, with reference to psychological studies by Miller (1956), no more than seven (plus/minus two) metrics should be selected in focused performance measurement systems, as this would correspond to the maximum processing capacity of the human mind.

Problem adequacy also means that data is provided at an appropriate level of information. Depending on the problem at hand, certain standards are expected with regard to completeness, truth, topicality, accuracy and objectivity of the information provided. For example, different information is required for sales force management than for strategic brand management. Furthermore, the constructs to be measured also influence the periodicity: driver variables, such as the number of sales force visits, should be reported more frequently, while more inert result variables such as customer satisfaction should be reported less frequently (Hronec, 1996, p. 161). If a metric's values remain unchanged over a longer time period, its information value should be questioned. However, if the values are extremely volatile, it should be checked whether the metric actually is a suitable, reliable indicator. Problem adequacy ultimately also includes the question of *robustness:* How difficult is it to obtain diverging, perhaps even manipulated results from the metric system (Caduff, 1981, p. 30)?

Consistency refers to the notion that a metric system should comply with the "principle of freedom from contradiction" (Küting, 1983, p. 240). It facilitates the analysis of cause-and-effect relationships. Consequently, a marketing performance measurement system should be based on a suitable model, if applicable (see also Hanssens & Pauwels, 2016, p. 181) – for example, the marketing mix, the AIDA formula, the customer journey, the sales funnel, or the core tasks of marketing. To ensure consistent comprehensibility and interpretation, metrics must be clearly operationalized and documented.

The required degree of *flexibility* depends on the problem at hand. Metric systems in marketing accounting should generally not be flexible, whereas strategic marketing performance measurement systems must always be adapted to the respective situation and objectives. A modular structure increases flexibility (Schwaninger, 1994, p. 300).

The requirement for *user- and organization-adequateness* is crucial. As previously outlined, a performance measurement system fulfills information tasks. From an application-oriented perspective, this raises the question of whether and when a person actually uses information from a performance measurement system. This depends on the one hand on the perceived (!) usefulness and on the other hand on the credibility of the information. The perceived usefulness of information is driven by the subjective meaning, the degree of innovativeness, and the target relevance (= involvement) for the user as well as by the degree of influenceability by the user (Shrivastava, 1987). The credibility of information is influenced by the following properties of the information provided: the relation to reality, the scope and degree of completeness and accuracy, the degree of specificity with which a problem is treated, consistency, and the validity from a theoretical and methodological point of view (John & Martin, 1984).

The more specifically a metric system can respond to user requirements, the higher its benefit is valued and the more intensively it is used (Day, 1976, p. 47). However, this results in a conflict of objectives for performance measurement systems between user and job specificity and standardization. Standardization of performance measurement systems has many advantages, as it promotes uniformity, traceability, and comparability of information over time. One way of resolving this trade-off is to distinguish between a standardized, person- and user-independent part and an individual, customized subsystem (Gritzmann, 1991, pp. 39).

Numerous studies outline that a management-oriented depiction of information influences its use: A visualization in the form of a so-called "cockpit", "dashboard" or "scorecard", entailing meaningful graphics, can effectively support information processing by illustrating developments and cause-and-effect relationships (Hanssens & Pauwels, 2016, pp. 184). Focus, clarity, and trend recognition are key opportunities of cockpit representations, but they can also become a risk if they are applied in a one-sided, schematic, and incomplete manner (Brunner et al., 1999, p. 25). Performance measurement systems should therefore be commented on in two ways: First, the principle *"No figure without comment!"* already applies to the preparation phase (Horváth et al., 2024, p. 342). Second, performance measurement systems should be the basis for internal discussions and thus be commented on when they are used. The more the system is geared to control aspects, the more important it is to integrate it into the management process. At the Liechtenstein company Hilti (fastening technology), for example, marketing cockpits are the basis for discussion at both top management meetings and meetings between profit center or sales managers and their superiors.

Like all management tools, performance measurement systems are subordinate to the imperative of *economic efficiency*. However, it is hardly possible to quantify what economic value the better decision support by performance measurement systems will provide in advance. Even so, economic efficiency should be taken into account during the implementing phase, particularly when information technology is selected. Information technology facilitates the collection of information (e.g., online marketing data) through automation. It increases the codification of information, thus making its content more precise, and improves the diffusion of information within an organization (Simons, 1995, pp. 186): Information can be distributed faster, more securely and more widely than with traditional paper flow. However, a useful marketing metrics system is not primarily a matter of information technology. In the view of the authors, it is not always advisable to invest in specialized software for performance measurement systems in marketing and sales. Rather, it can be advantageous to keep the initial software solution relatively simple (for example, by means of prototype programming based on standard software already available in an organization).

7.2 Ideal Basic Structure of a Marketing Performance Measurement System

The following explanations describe a feasible ideal-typical basic structure (Figure 31) for designing an integrated marketing performance measurement system for a business unit (e.g., division, brand, national or sales entity) (for an overview of classic marketing KPI systems, see Reinecke, 2004 and Bendle et al., 2021). Thus, the measurement system is not limited to a single marketing instrument (e.g., advertising), a channel (e.g., social media), or a specific area of responsibility (e.g., key account management or online marketing), but rather comprises the overall marketing and sales area. As such, it entails both target/planned variables and actual/control variables for management.

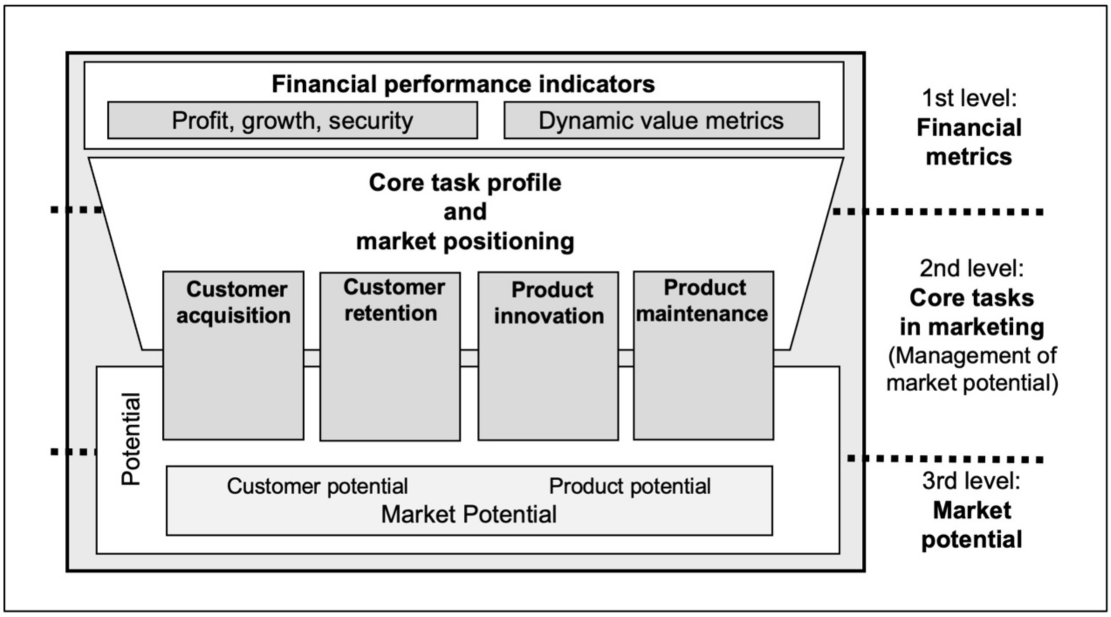

Fig. 31: Ideal-typical Structure of a Task-oriented Marketing Performance Measurement System
Source: Reinecke & Geis, 2021 based on Reinecke, 2004, p. 384.

At the heart of the *first level* of the metric system are *key financial metrics.* These measure the extent to which the pre-defined profit, growth and security (risk-avoidance) targets of a company or business unit have been achieved. These formal economic performance indicators can be specified with the help of the core task profile: It operationalizes the areas (customer acquisition and retention, product innovation and maintenance; Tomczak et al., 2023) in which profitable growth is aimed to be achieved.

Since financial indicators alone cannot express the content of marketing results nor implement strategies, the management of customer and product potentials is represented on the *second level*; of particular significance are performance indicators on market positioning as non-monetary target and result variables. This *task-related level* defines and substantiates the marketing strategy.

In addition, the *third level* in the performance measurement system evaluates long-term market potential. The treatment of market potential (2nd level) is not only reflected in the financial results (1st level), but also has an impact on potential itself (3rd level). Effects stemming from changes in brand and customer equity must be taken into account to ensure marketing effectiveness in the long term (Ambler, 2003, p. 7) – and in particular to prevent the implementation of marketing measures that temporarily maximize financial results but jeopardize the company's own potential at the same time (for example, milking the value of a brand or jeopardizing a previously sustainable customer base). Since third-level metrics only change in the long term, they are often not integrated in marketing cockpits or scorecards. This level is also not discussed further in this article; reference is made to the literature (Reinecke, 2004, pp. 333).

7.3 Financial Performance Indicators as the First Level of the Performance Measurement Systems

As key *performance indicators,* financial metrics fulfill the function of reducing complexity; they also serve to link the marketing performance measurement system and cross-functional corporate management control. Classic financial performance measurement systems tend to focus on return-on-capital factors, such as return on equity or return on investment (as in the DuPont System of financial control). However, taking a functional view on marketing and sales, such indicators are largely unsuitable because it is extremely difficult to define marketing-specific capital/asset factors which are attributable and controllable, or usefully relate these to marketing results (Kiener, 1980, p. 168 and Koehler, 1993, p. 288).

Marketing scientists and managers alike have made attempts to define the "optimal" financial performance indicator (see also Hanssens & Pauwels, 2016, pp. 175). However, bearing in mind that every metric is a model, and that every model is always a simplified expression of reality, there cannot be such thing as an optimal performance indicator. In particular, metrics such as "return on investment" or "return on marketing" have been heavily criticized in scientific literature (see Ambler & Roberts, 2006). In marketing science (Diller, 2001, p. 6), it has proven to be effective to differentiate among the target categories of profit or *profitability*, *growth* and *security* (risk avoidance). As these targets both complement and conflict each other to a certain degree, they cannot all be maximized at the same time. This necessitates goal prioritization and weighting. For listed corporations, growth is often the guiding principle of corporate development, whereas family-owned companies accord a greater priority to risk avoidance. This has a significant impact on marketing metric selection and deployment.

It is important to note that the weighting of key financial objectives is ultimately a decision made by the company's owners, which must be accepted by marketing management as a guiding principle for action. For example, the marketing management of a listed company must support a strategy oriented toward shareholder value. Likewise, marketing executives of family businesses would have to accept that top management occasionally deliberately forgoes growth because this could jeopardize the security goal of independence from investors.

Profit	▪ *One-period-result:* profit, imputed profit (balance of revenue and costs), marketing/sales contribution to operating income (profit contribution less fixed costs) ▪ *Capital profitability:* return on investment, return on assets, return on equity ▪ *Relative to achieved growth:* sales profitability, ratio of marketing or sales contribution margin to revenue ▪ *Value-based profitability:* Revenue to expense ratio
Growth	▪ *Revenue (growth), market share (value):* absolute, relative (to industry or competitor) ▪ *Sales (growth), market share (units):* absolute, relative (to industry or competitor) ▪ *Capital turnover*: net sales to capital ratio ▪ *Stock turnover*: rate of inventory turnover
Security (risk avoidance)	▪ *Analysis of receivables:* account receivables, write offs, credit period ▪ *Liquidity ratios:* Cash ratio, quick ratio, current ratio ▪ *Income liquidity:* rate of liquidity to cash receipts ▪ *Autonomy:* dept to equity ratio, degree of equity financing

Tab. 12: Selected Key Financial Indicators
Source: Reinecke & Geis, 2021 based on Reinecke, 2004, p. 247.

Table 12 outlines selected key performance indicators of the three target categories; particular reference is made to key performance indicators frequently applied in reality (Reinecke, 2004, pp. 142). In this context, the profit contribution serves a central interface function as a growth and profitability figure (Becker, 2019, p. 61; Meffert et al., 2024, p. 292).

The metrics in the three target categories often attract criticism on account of their static nature (Reichmann et al., 2017, pp. 314). In theory, *cash flow* has become the established gauge for evaluating both the financial position and the earnings situation (Horváth et al., pp. 274). The discounted cash flow integrates all three target categories as well as the time factor: It focuses on discounted profit while taking account of growth as a value driver. The objective of risk avoidance and security is reflected in the selected interest rate as well as the plausibility of the underlying basic assumptions.

The following aspects regarding financial ratios relevant to marketing must be emphasized:

1. The determination and prioritization of principal corporate objectives (growth, profit and security) significantly influences the selection of key (marketing) performance indicators.
2. The key financial metrics should reflect the target system. From empirical results (Reinecke, 2014; Reinecke & Tombach, 2022) it can be concluded in most cases that profit and security targets must be integrated in performance measurement systems to a greater extent than it was previously the case. Growth targets tend to be sufficiently covered.

The *core task profile* serves as a pivot point between formal economic factors on the one hand and the psychographic parameters of purchasing behavior on the other: The latter form a central hub in marketing. The connection is established via the realized purchases (as a result of complex buying behavior) and sales (as a driver of growth and profit).

The core task profile to which a company aspires indicates which of the four core tasks (customer acquisition, customer retention, product innovation, and product maintenance) should be the focus of marketing planning (detailed Tomczak et al., 2023, pp. 51). It may be planned and controlled, for example, by means of sales and profit contribution analysis. The example in Figure 32 shows the typical core task profile of a so-called potential exhauster, in which the sale of existing products (product maintenance) to existing customers (customer retention) accounts for both the greater part of sales and an even greater proportion of the profit contribution generated.

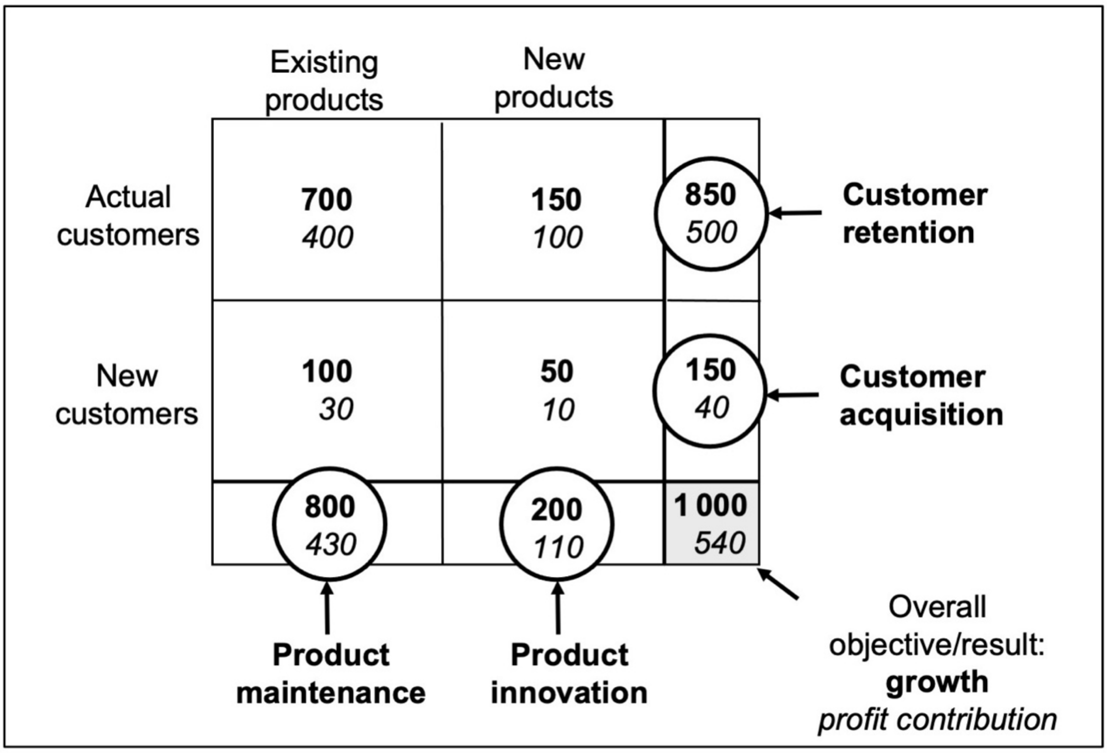

Fig. 32: Core Task Profile Analysis
Source: Reinecke, 2004, p. 253.

7.4 Task-related Metric Moduls as the Second Level of the Performance Measurement System

Without a strategic foundation, value-oriented metrics are meaningless. For this reason, formal economic indicators must be supplemented with marketing-related performance indicators. In contrast to formal economic targets, formal mathematical analyses are of little relevance to psychographic marketing metrics because the underlying complexity of buying behavior cannot be "calculated" (Koehler, 1981, p. 280, Meffert et al. 2024, pp. 292). Two metric areas can be distinguished:

1) Comprehensive Performance Indicators of Market Positioning

At a higher level, key performance indicators must reflect the content of the marketing strategy and the (targeted) *market positioning*. Taken together, these marketing objectives signify those preferred states to be aimed for (Meffert et al., 2024, p. 292) through the application of marketing instruments. Reference to the relevant market is invariably critical to the corresponding operationalization of positioning variables according to content, scope, and time (Meffert et al., 2024, p. 294). These *non-monetary key performance indicators* (Table 13) are strongly influenced by the strategic orientation of the company (Tomczak et al., 2023, p. 95). A universal catalog is not possible.

Metric		**Operationalization**
Market share	Unit based	Percentage of own sales in units on total sales in units of all suppliers in the relevant market
	Value based	Percentage of own revenue on total revenue of all suppliers in the relevant market
	Customer based	Percentage of own customer base on total (potential) customer base
Pricing	Relative price / price premium	Ratio of value based vs. unit-based market share
	Price range compliance (unit based)	Percentage of sales in units achieved within the targeted price range of total sales
	Price range compliance (price based)	Percentage of revenue achieved within the targeted price range of total revenue
Market penetration	Numeric distribution rate	Percentage of stores that have listed the own brand on the total number of stores that have listed brands in the same category
	Weighted distribution rate	Percentage of the revenue of stores that have listed the own brand on the total revenue of stores that have listed brands in the same category

Awareness	Recall (unaided awareness)	Percentage of target customers that name the own brand spontaneously
	Recognition (aided awareness)	Percentage of target customers that recognize the own brand
Image	(Brand) Likeability	Percentage of customers in the relevant market that rate the company/brand as likeable
	(Brand) Consideration	Percentage of customers in the relevant market who would consider the company/brand when making a purchase.
	(Brand) Status	Ratio of awareness, (brand) likeability, and (brand) usage
	(Brand) Image	Type and degree of attributes and competencies associated with the company/brand/product
Customer satisfaction	Customer satisfaction index	Percentage of customers who are (very) satisfied with the company/brand/product
	Relative customer satisfaction	Ratio of own customer satisfaction index to customer satisfaction index of the main competitor

Tab. 13: Selection of Key Performance Indicators for Market Positioning
Source: own representation closely based on Reinecke & Geis, 2021, Reinecke, 2004, p. 258 und Becker, 2019, pp. 65.

2) Task-oriented Key Metric Modules

In addition to the key performance indicators of market positioning, *metrics* can be defined *for the four core tasks customer acquisition, customer retention, product innovation, and product maintenance* (Reinecke, 2004, pp. 255). They address the questions of why a company is particularly successful at a respective core task and which measures could be appropriate for successfully tackling another core task.

To ensure a structure, it is necessary to base each of the four core tasks on a (simple) model which enables cause-and-effect analyses to be performed. For example, a simplified *chain of effects of customer retention* can be summarized as follows: Actions focused on customer retention initially result in customer satisfaction, which leads on to positive customer intentions and thus to customer retention (Zeithaml et al., 1996, p. 33 and Helm, 1995, p. 29), which in turn produces economic success (Homburg & Bruhn, 2017). For a company to evaluate its success in this core task, it must analyze customer retention measures (processes enacted between company and customer) and apply *intentional effectiveness control* (indicators of intended purchasing behavior which can only be measured indirectly) as well as *actual effectiveness control* (measurement of actual purchasing behavior) (Table 14) (Diller, 1996 and Homburg & Bruhn, 2017). In addition, indicators that measure the customer structure must be taken into consideration.

Processes	**Contact intensity:** Number of contacts with regular customers within a defined period **Offer pace:** Average duration of offer preparation **Number of offers:** Number of quotes provided to regular customers **Perfect Order:** Share or number of deliveries that have been completely and correctly delivered with the correct invoice to the right place at the designated time
Image	**(Relative) Customer satisfaction:** Comparison of customer expectations with perceived customer expectations (in comparison to competitors). **Perceived price:** Regular customers' evaluation of the affordability of the good offered by a supplier **Perceived value for price:** Regular customers' evaluation of the price-value ratio of the goods offered by a supplier
Intentions	**Willingness to cooperate:** Willingness of the customer to cooperate with a supplier (e.g., regarding a new product development) **Willingness or intention to recommend:** General willingness or actual intention of the own customers respectively to recommend the supplier to other customers (measurement e.g., via Net Promoter Score)
Customer behavior (besides purchase)	**Social media engagement:** Number of customer reactions (likes, shares, comments) on social media platforms **Visit frequency/duration:** Number and duration of customer visits (e.g. stationary store, web store, webpage) **Referrals:** Number of referrals within a defined period
(Buying-) Behavior	**Revenue per purchase:** Average purchase amount by regular customers **Purchase intensity:** Number of purchases within a defined period **Repurchase rate:** Percentage of customers (of the total customer base) that made a repurchase **(Weighted) Customer retention rate:** Percentage of customers of t_0 that remained customers in t_1 (per year or regarding the duration of the customer relationship) (possibly weighted by revenue or profit contribution) **Discount share on revenue:** Average value of discounts granted to regular customers **(Weighted) cancellation rate of regular customers:** Percentage of cancelled orders from regular customers on all orders from regular customers (possibly weighted by revenue) **Customer penetration rate:** Percentage of the customer's needs met by the supplier in relation to the customer's total needs (= Share of Wallet). **Coverage:** Percentage of own customers on total (potential) customer base
Financial results	**Revenue with regular customers:** Achieved turnover with customers that have bought more than once **Profit contribution with regular customers:** Achieved profit contribution with customers that have bought more than once **Loss of receivables:** Amount of resp. share of loss of receivables with regular customers

Tab. 14: Selected Metrics for Measuring Customer Retention Effectiveness
Source: Reinecke & Geis, 2021 closely based on Reinecke, 2004, p. 282 and Dittrich, 2002, p. 204.

Figure 33 summarizes the simplified cause-and-effect chain with selected indicators for the various levels. These indicators can be supplemented with metrics for measuring the customer structure (e.g., share of target or promotional customers) and efficiency metrics (e.g., profit contribution achieved per full-time position). It should be emphasized, however, that the overall aim is not to cover the process as comprehensively as possible, but to ensure a *focus on a few key metrics* that ideally cover various stages of the underlying functional chain and represent suitable control variables for the company in question.

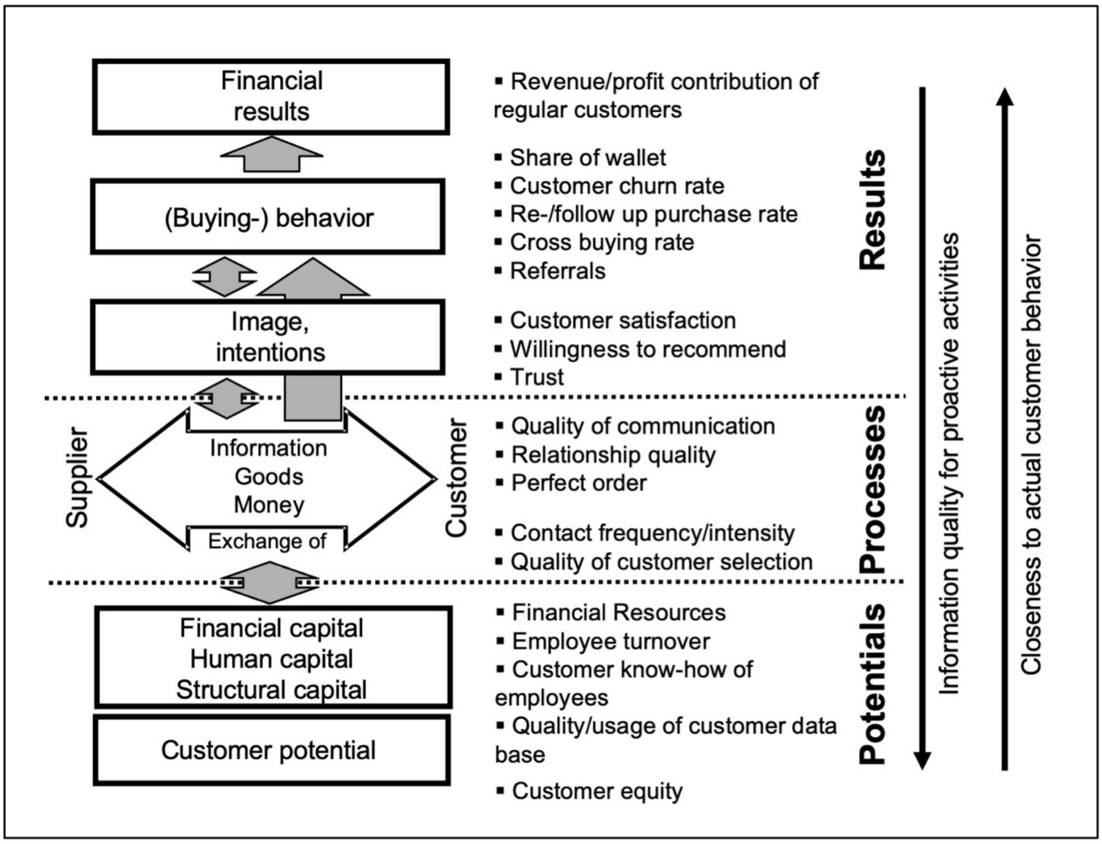

Fig. 33: Functional Chain for Measuring Customer Retention Effectiveness
Source: Reinecke & Geis, 2021 closely based on Reinecke, 2004, p. 288 und Dittrich, 2002, p. 198.

The task-related performance indicators operationalize the marketing and positioning strategy; the latter is substantiated through the selection, prioritization and definition of metrics. Marketing performance measurement systems are *company-specific,* and thus *situation- and strategy-specific*. Not all core tasks have the same importance to every company; for example, the issue of whether a company prefers to focus on customer acquisition or on retention depends on the market situation and that company's particular competencies. Therefore, it is hardly reasonable to propose universally valid "generic metric modules" for the four core tasks. Klingebiel (2000, pp. 304) explicitly warns against such a "one size fits all" mentality. Important requirement criteria for marketing metrics are:

- Generally, key performance indicators should not be related to a single marketing instrument or medium (e.g., website), and rather should be *task-*

related and, if possible, selected one aggregation level higher (e.g., in the case of customer acquisition, "unaided awareness" as the result of all communication measures).

- A mix of task-related input, process, and result measures is important to cover the *cause-and-effect chain of* each core task.
- Metrics should cover the company- and industry-specific *success factors of* each core task (e.g., in the case of customer retention, the level of employee training serves as a driver of service quality).
- The *operationalization of* metrics should be clear and, whenever possible, competitor-oriented (e.g., relative market share as the ratio of one's own market share to that of the main competitor).
- Metrics should be *action-oriented.* Indicators that hardly change over time have little information content. For example, in some industries the customer satisfaction values of suppliers hardly fluctuate at all due to low customer involvement, so that instead of "customer satisfaction" it is better to use a more responsive variable such as “willingness to recommend”.

Table 15 illustrates a selection of marketing metrics that have proven their worth insofar as they have been integrated into numerous marketing performance measurement systems. However, this selection should not be misunderstood as a "master cockpit"; at best it contains heuristic potential for a specific marketing metric system.

Customer Acquisition	**Customer Retention**
• Average amount of first purchase • Number of new customers • Offer success quota • Cost per acquisition • Contact frequency with new customers • Sales force qualification	• Share of Wallet • Churn rate/customer migration rate • Relative customer satisfaction • Customer frequency • Employee satisfaction
Product Innovation	**Product Maintenance**
• Revenue share of new products • New product success rate • Average time to market • Image index of new products • Number of new products launched • Customer acceptance index of new products	• Change in market share • Availability/weighted distribution rate • Product range index • Share of voice • (Brand) Image index • Awareness (aided/unaided)

Tab. 15: Frequently Used Task-oriented Metrics
Source: closely based on Reinecke & Geis, 2021.

7.5 Integrating Marketing Performance Measurement Systems Into the Management Process

How can a marketing performance measurement system be integrated into the management process? Five central aspects are important:

1. A marketing performance measurement system is not only used for control purposes; it is only fully effective when combined with *marketing planning* and thus *marketing budgeting.*
2. For a task-oriented marketing performance measurement system to be appropriate for a particular organization and its respective users, *different perspectives* on an integrated system are required. Metrics should always be job-specific because they are not only linked to pre-defined targets, but also to the functional and temporal frames of reference for decision-making situations (Gritzmann, 1991, pp. 47). In marketing, for example, it is often necessary to distinguish among sales, product, customer viewpoints, which are reflected in different targets for different jobs. A task-oriented marketing performance measurement system must ultimately secure a *compromise between integration and job specificity.* It is useful here to refer to the *basic principles of the selective metric concept* (Weber et al., 1997). The task-oriented key figure system comprises the superordinate variables. From these, a few metrics are selected as top-down targets with particular relevance to the operational marketing units. The respective position holder is then responsible for determining further drivers on a bottom-up basis, which help that person to achieve the operationalized targets (see Figure 34). It is essential that the respective employee perceives actual, personal benefits within the system, such as relief from routine tasks, more up-to-date customer knowledge, time savings, improved forecasting options or decision support.
3. The *information and reporting function* should be connected to the performance measurement system. Productive reporting appropriately condenses information in terms of content (e.g., references to competitors) and time. Driver variables should be reported with greater frequency, inert result variables less often (Hronec, 1996, p. 161). Reporting must ensure an adequate visual presentation of the information (Horváth et al., 2024, pp. 340): focus, clarity and trend recognition are key opportunities offered by such *"cockpits"* – which can also become a risk when used in a one-sided, schematic and incomplete manner (keyword: loss of information).
4. *Motivation and incentive systems* must be aligned with the performance measurement system. Empirical studies investigating the issue of whether metrics should be linked to (monetary) incentive systems have product varying findings (see Garbers & Konradt, 2014 for a meta study). However, there is a consensus that it remains a major challenge to establish a suitable system that will not be circumvented and can actually have a motivating effect (Drucker, 1974, p. 340, Schaffer, 1991 and Simons, 1995, p. 73). Employees should be involved in order to combat resistance and reservations towards metrics (Bentz, 1983, p. 182 and Gritzmann, 1991, p. 46).

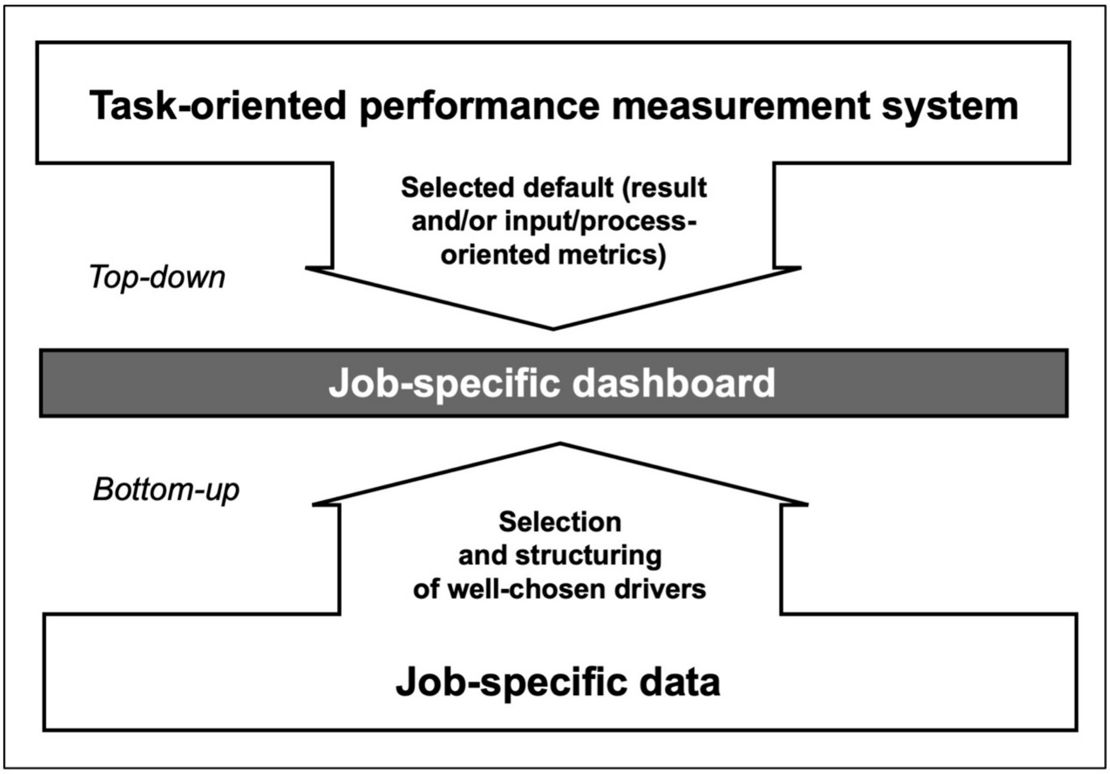

Fig. 34: Basic Construction of Job-specific Dashboards
Source: Reinecke, 2004, p. 406.

5. A marketing performance measurement system should not exist in isolation and rather be integrated into a *company-wide control system.* Cooperative collaboration between marketing and finance is positively associated with the satisfaction with marketing performance measurement systems (Marketing Leadership Council 2001, p. 15). Any marketing performance measurement system should be linked to the financial system; at the very least, a common "language" (= metric definitions) should be established. On the other hand, if the company as a whole is managed with a balanced scorecard (Kaplan & Norton, 1996, 2001; Reinecke, 2004, pp. 108), it makes no sense for a marketing performance measurement system to be isolated, as this would contradict the interdisciplinary function of marketing.

7.6 Case Study "Task-oriented Marketing Cockpit"

The following explanations illustrate the conception and the benefits of a task-oriented marketing performance measurement system. This exemplary system is used to manage the youth segment of an insurance company, but its key components can be adapted to other industries.

The *task-oriented marketing cockpit* establishes a connection between the fulfillment of the four core marketing tasks – customer acquisition, customer retention, product innovation, and product maintenance – and the resulting overall marketing performance (see Figure 35). The top level of the cockpit outlines the *superordinate marketing objectives* and the business unit's *core task profile*. This allows for overall marketing performance assessment, the detection of set priorities, and identification of strengths and weaknesses with regards to the fulfillment of the four core tasks.

Overall marketing performance is assessed with the aid of economic variables such as gross profit, sales or (relative) market share. Additionally, non-monetary performance indicators such as awareness, image and market penetration are reported. The consideration and prioritization of marketing objectives depends on the purpose of the investigation, the industry, the corporate strategy, as well as on the data availability and quality of the selected metrics figures in the respective company. Actual/target value comparisons for each of the aforementioned metrics highlight potential deviations. The consideration of the time dimension allows for the identification of trends or disruptions in trends; an annual, quarterly, or monthly time interval view can be selected in the cockpit shown.

The *core task profile* shows to what extent a company focuses its activities on individual core tasks and how successful the company is in doing so. In the present case, it is measured by gross profit realized with new or existing customers and new or existing insurance solutions. Companies rarely pursue all core tasks with the same emphasis. Instead, some tasks are usually prioritized over others. In this case, for example, service innovation plays a rather subordinate role.

Fig. 35: Exemplary Task-oriented Marketing Cockpit of an Insurance Company
Source: Reinecke & Geis, 2021.

How can the outlined cockpit be interpreted for the insurance deploying it? To answer this question, a two-step approach is recommended.

Step 1: Assessment of overall performance

The overarching marketing objectives of the business unit allow an assessment of its overall performance. In the youth segment, for example, the insurance company can boast a positive sales and gross profit development as well as increasing awareness. However, declining market shares compared with the main competitor, declining image values, and insufficient market penetration were recorded in the last two periods.

Step 2: Identification of the causes

An analysis of the core task profile shows that there is a strong focus on customer acquisition and retention as well as on product maintenance. Service innovation is given a subordinate priority. It is important to note that it is necessary to check whether this is in line with the strategic intention or whether adjustments need to be made to the current strategy. Weaknesses are particularly apparent in customer acquisition. Here the target values are not achieved. Consequently, a more in-depth analysis of customer acquisition is necessary.

Fig. 36: Customer Acquisition Cockpit
Source: Reinecke & Geis, 2021.

Clicking on the customer acquisition chart opens a more specific cockpit (see Figure 36) designed for this core task:

- *Customer acquisition goals:* The gross profit realized with new customers from the core task profile serves as the superordinate objective of customer acquisition. At the same time, the offer success rate and the number of new customers represent additional targets. The proportion of new customers who have converted during a marketing campaign is also shown.

- *Leading indicators of customer acquisition:* The leading variables provide information on the attractiveness of the new customers (customer structure, revenue at first closing), the channels and scope of the leads acquired (contacts with target group, qualified leads/contacts, qualified leads by channel), and the prospects for future customer acquisition (level of awareness in the customer segment, willingness to recommend of existing customers).

The simultaneous consideration of target results and leading variables (drivers) reveals causes for a certain development and therefore provides a starting point for specific marketing actions. In this case, the reasons for unachieved gross profit can be found in the reduced attractiveness of new customers (growing proportion of C-customers), the declining success of offers (declining visits, offer submissions and contracts) and the declining willingness of existing customers to recommend the company (especially in comparison with the main competitor). Based on these findings, it is advisable to conduct in-depth causal research and – if possible – to initiate countermeasures. Starting points could be:

- Examining the offering of the main competitor, who is experiencing growing market share and improving willingness to recommend scores,
- Increasing customer satisfaction and improving image among existing customers with positive effects on their willingness to recommend the company to others and consequently on customer acquisition,
- Increasing the attractiveness of acquired new customers through more careful selection and targeting of attractive customer groups.

The outlined example is a vivid illustration of the benefits of marketing performance measurement systems and marketing cockpits: If the company were to rely only sales and gross profit as key performance indicators, there would be no evident reason to correct the present marketing activities, since the targets for these two key performance indicators are still being achieved. In the worst case, negative impacts only become apparent when it is already too late to intervene. In the present case, however, the consideration of further metrics already reveals problems at the top level of the cockpit, which can be assigned to a specific core task. Further analysis of this core task helps to better isolate identified problem areas and derive specific countermeasures.

Analogous cockpits also exist for the other core tasks, so that a targeted, in-depth analysis can be performed based on the issue at hand. However, the scope and specific design of, and metric selection for these core task cockpits must be adapted to the company-specific situation, and so do the superordinate marketing objectives.

Conclusion: The task-oriented marketing cockpit enables the simultaneous assessment of marketing performance and the fulfillment of marketing's core tasks. In addition, it provides starting points for specific marketing measures by outlining reasons for the achievement or non-achievement of pre-defined objectives in the respective core tasks and highlighting existing opportunities and threats. In this regard, the system provides valuable decision-making support on a rational, measurable basis.

The presented marketing cockpit was designed to control marketing of an entire business unit. However, customized cockpits are also used to answer a wide variety of specific questions from marketing and sales, for example for brand monitoring, campaign tracking, coordination of marketing activities across individual marketing channels, control of individual marketing measures (e.g., in online marketing), coordination of sales activities in a selected territory, or key account management.

For the successful implementation and application of marketing performance measurement systems, it is crucial that the objectives, scope, and user groups are clearly defined. Key target variables and leading performance indicators must be defined and operationalized. For this purpose, a top-down approach should be combined with a bottom-up solution to ensure both the cockpit's integration into the corporate strategy and acceptance by its users.

7.7 Use of Marketing Metrics in Company Practice

In order to examine which marketing metrics are prioritized in practice, companies were asked about their metric use as part of a recent multi-wave study conducted by the University of St.Gallen (HSG) (for study appendix, see chapter 1.1). It was also determined which of the metrics surveyed were most relevant to the company's own business area from a management perspective (Figure 37).

Similar to previous studies (Reinecke, 2004; Reinecke & Eberharter, 2010; Reinecke, 2014; Reinecke & Tombach, 2022), it can be seen that mainly financial metrics such as *turnover*, *net profit* and *return on sales* are used. Sales-oriented metrics such as the *number of customers* and *leads* as well as *conversion rates* are also frequently collected, but are rarely used as a top performance indicator. *Customer satisfaction* remains by far the most popular customer mindset metric, ahead of *Net Promoter Score* (recommendation rate), which is particularly popular with service providers.

Competitor-oriented metrics (with the exception of market share) are hardly ever collected. In particular, more complex, differentiated marketing metrics such as *customer and brand value*, *consideration* or *commitment* are rarely used. Instead, the key performance indicators are strongly financial and "conservative" in nature. Thus, the empirical results once again underline a basic challenge of marketing management control: on the one hand, key performance indicators should be as easily available as possible and therefore not too complicated in terms of their definition or operationalization. On the other hand, however, marketing metrics should also not be unsuitable because they are one-sided and, for example, exclusively past-oriented.

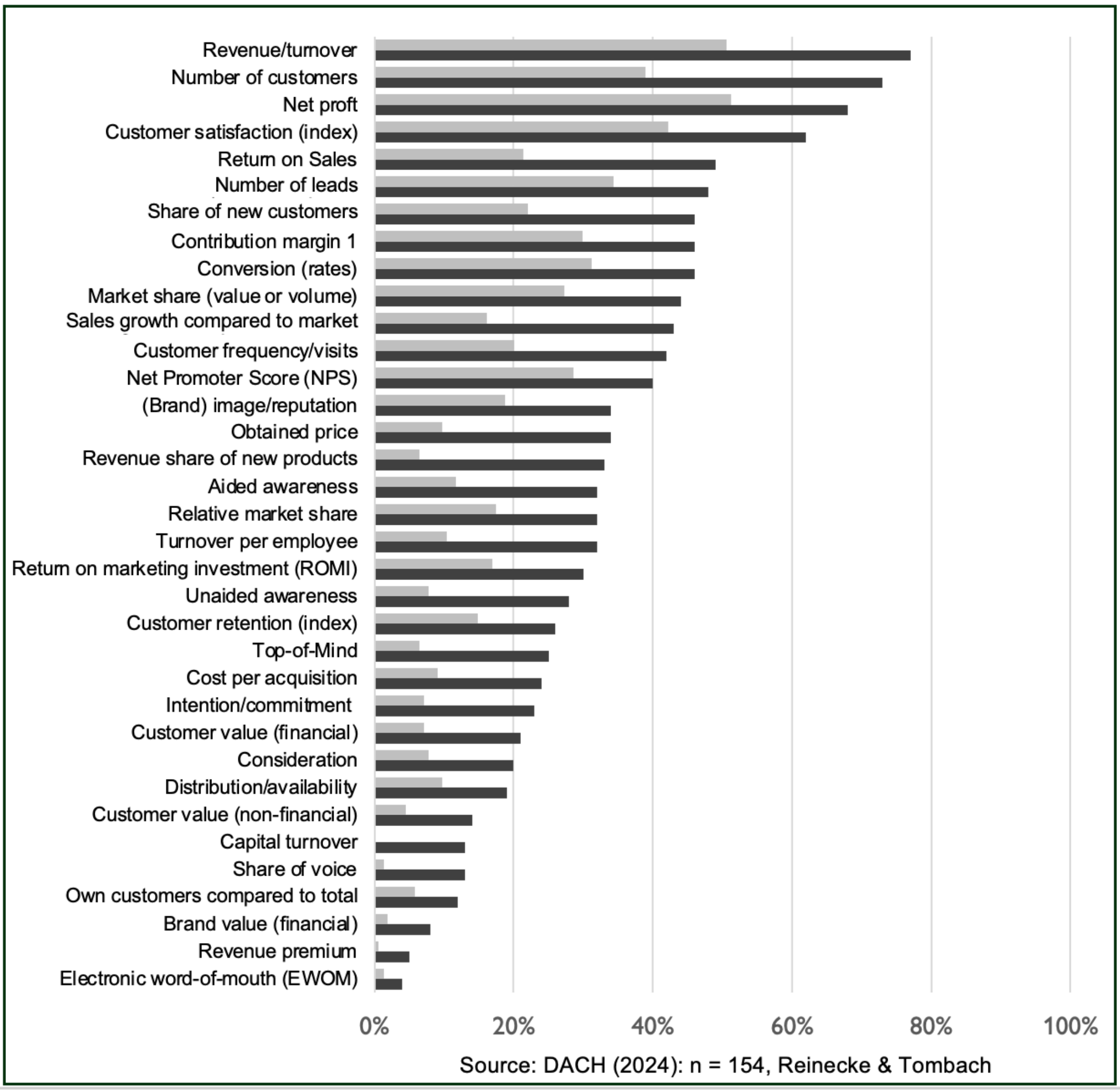

Fig. 37: Metric Usage in Company Practice
Source: own representation.

7.8 Limitations of Metrics Performance Measurement Systems in Marketing

Performance measurement systems are merely *one* component of a comprehensive management control system (Vollmuth, 1987, p. 52). They complement, but in no way substitute instruments such as gross profit or investment calculations for new product launches. Especially in marketing, numerous areas can *only* be inadequately *captured with metric deployment* (e.g., strength/weakness or gap analyses). The field report of a salesperson who has just met with a key account may entail a great deal of important information that is lost in a metric report (McKinnon & Bruns, 1992, p. 204). Any dialog can only be supported by metrics figures, not replaced. The sentence attributed to Albert Einstein is also valid for marketing: "Sometimes what counts can't be counted, and what can be counted doesn't count (Albert Einstein, quoted from Schomann, 2001, p. 1).

Indicator systems are also unable to guarantee *undirected strategic monitoring* or perform early warning recognition (Krystek & Müller-Stewens, 1993, p. 59 and p. 81). Rather, performance measurement systems do not make decisions and interpret themselves. Whether targets have been achieved to a satisfactory extent is a question of the *interpretation of marketing metrics*. A performance measurement system itself cannot anticipate such an interpretation (Gritzmann, 1991, p. 42).

In addition to these *content restrictions regarding* the *scope of* performance measurement systems, typical risks and *errors in working with metrics* are pointed out. The use of metrics is characterized by individual reservations, different qualifications and psychosocial phenomena. If wrong conclusions have already been drawn once from methodically questionable or unclear figure combinations, then this frequently leads to the rejection of metric usage (Radke, 1968, p. 148).

The following *formal errors* can be distinguished (Siegwart et al., 2010, pp. 221 and the literature cited there):

Design deficiencies occur when a performance measurement system is (mathematically or formally) incorrect or inappropriate, i.e., not meeting the requirements of the respective decision-making situation.

Errors in data collection and processing may emerge due to insufficient qualification or care. A report with insufficient validity of data collection and processing is of no use (McKinnon & Bruns, 1992, p. 200).

Application deficiencies often manifest in dysfunctional effects (Simons, 1995, pp. 81): For example, "margins" are inserted into the metrics in the context of planning, so that targets can be achieved in any case. Or ratio deviations are "smoothed out," with reports being adjusted in terms of timing and space without that the observation changed. Occasionally, reports are also manipulated by not reporting events (e.g., customer complaints) or by "unilaterally influencing" them (e.g., unilaterally reporting positive but not negative customer feedback). The risk of manipulation increases when metrics are coupled with incentive systems.

Interpretation errors (Staehle, 1973, p. 228, Siegwart et al., 2010, p. 221 and Gritzmann, 1991, p. 45) are another form of application deficiencies. Metrics are characterized by quantitative exactness and can therefore spark overreactions. In this case, metrics lead to a "paralysis by analysis" or to being regarded as the faithful representation of the truth – without any critical distance (Quelch, 1992, p. 4). This neglects the fact that, by definition, metrics narrow down a relevant circumstance (Weber & Schäffer, 2022, pp. 193) and never reflect it completely (Eccles & Noriah, 1992, p. 169).

In summary, it can be stated that performance measurement systems are not an end in themselves. Metrics provide important information for managerial decisions but cannot and should not substitute decisions (Gaitanides, 1979, p. 57). Drucker (1974, pp. 208) expresses this as follows: "To make a control system take care of exceptions misdirects and undermines both the work process and the control system." Metrics are thus indispensable in management and marketing to substantiate and implement decisions.

8 Conclusion: Assuring Learning Processes in Marketing and Sales

Marketing management control is becoming increasingly important in company practice in order to demonstrate the value of marketing. However, the level of implementation of marketing management control instruments is still at a modest overall level.

Nevertheless, this book has shown that it is indeed possible to implement initial approaches to marketing and sales control at the appropriate level. What is particularly important in this context is the message that the focus should be less on the (retrospective) justification function and more on the (proactive) control function of marketing management control. Marketing management control serves to initiate learning processes in marketing and sales. Only if clear marketing objectives are defined and their (non-)achievement is clearly measured, is it possible to consistently analyze the causes of success and failure in marketing. If this control loop is run through repeatedly for the most important marketing areas and instruments, good conditions are created for higher marketing performance. The increased use of artificial intelligence in the context of marketing decisions will further accelerate the marketing learning process.

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For many companies, marketing is an area with high levels of investment, which is why the question of measurability is highly relevant. Managers see themselves under increasing internal accountability to prove the value contribution of marketing. Marketing management control is therefore ascribed an ever-increasing role with the aim of ensuring, proving and improving the effectiveness and efficiency of marketing management. Without clear evidence of success, it will be difficult to defend budgets in the future.

This publication deals with the basic principles and key instruments of effective marketing management control in the context of advancing technologization and digitalization in marketing. It discusses their possible applications in a practice-oriented manner and emphasizes aspects that have proven to be particularly relevant for companies in executive education at the University of St.Gallen (HSG).

In order to facilitate the transfer to international business practice, this publication is published simultaneously in English and German.

Keywords: Return on Marketing, Tasks and Instruments of Marketing Management Control, Artificial Intelligence & Marketing Performance Management, Marketing Audit, Marketing Funnel Analyses, Customer Equity & Customer Value, Brand Strength & Brand Equity, Marketing Budgeting, Marketing as a Driver of Shareholder Value, Marketing-Mix Modeling, Marketing Metrics, Dashboards in Marketing.

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