UNIVERSITY OF LJUBLJANA
FACULTY OF ECONOMICS

MASTER'S THESIS

# MEASUREMENT OF MARKETING PERFORMANCE AND MARKETING STRATEGY IN SLOVENIAN COMPANIES

Ljubljana, January 2017

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## AUTHORSHIP STATEMENT

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# INTRODUCTION

The growing importance of marketing accountability and internal pressure to justify marketing investment whilst demonstrating financial returns has long been one of the main concerns of companies. Managers lack sufficient practical understanding of marketing performance assessment (Morgan, Clark, & Gooner, 2002) and, consequently, the topic remains at the heart of academic and practitioner research. Companies pursuing customer-oriented marketing strategies are especially faced with mounting pressure and the growing need for appropriate marketing accountability, the key to successfully pursuing strategic marketing objectives, whilst, concurrently, maximizing company financial performance.

Based on the initial inquiry, it appears that Slovenian companies do not treat marketing as an individual company function, but as a support function within their sales department; there is, therefore, legitimate concern as to whether marketing performance measurement (hereinafter MPM) and marketing strategy are understood as described in the relevant academic literature. In order to analyse and support the empirical study in terms of marketing strategy and marketing performance measurement system (hereafter MPMS) connectivity, the following are defined: the marketing strategy classification scheme; MPMS main variable characteristics; and marketing's contribution to company performance.

In Coviello, Brodie and Munro (1997) study, a simple classification scheme for marketing strategies is presented which helps identify and distinguish different types of marketing applicable to contemporary business practice. The research identifies four types of marketing strategy as seen from the opposite perspectives of transactional marketing (hereafter TM) and relationship marketing (hereafter RM). Moreover, in order to broaden our understanding of marketing strategies beyond the two-dimensional, TM and RM are not considered as mutually exclusive (Coviello et al., 1997). In this respect, three main types of marketing strategy are recognised and these represent the conceptual foundation of this research: TM, characterised by its use of the product, place, price, promotion (hereafter 4Ps) marketing mix concept and concomitant marketing activities to attract customers and standardise interaction with them. RM, with its focus on close relationships and interaction with customers, and orientation towards establishing, maintaining and enhancing relationships with individual customers/segments, and its predisposition towards cooperation. Transactional/Relationship marketing (hereafter TRM) is characterised by its transaction and relationship oriented approaches towards customer and supply-chain collaboration.

The relationship between marketing strategy and MPMS is only partially addressed in marketing literature. Encouraged by this finding, the aim of this thesis is to analyse how a MPMS can be modified to take into account Slovenia's specific characteristics: company size (small – medium - large); ownership (state – owned / private); market type (domestic / regional / global); and customer typology (business to business (hereafter B2B) / business to customers (hereafter B2C)).

Moreover, there is concern that marketing in Slovenia has developed in such a way that it is generally not a stand-alone department, but merely a function within sales departments. Pursuant to this reason, an analysis of the relationship between marketing strategy and performance in Slovenian companies represents a valuable topic for research.

The objective of this thesis is to find a link between marketing strategy and company performance, and to investigate how MPM influence Chief executive officer (hereafter CEO) marketing and overall business performance evaluation.

This thesis will begin by outlining the main theoretical concepts concerning MPMS and marketing strategies in different types of company and the link between the two. Next, its methodology will be introduced, including a brief overview of the companies involved in the qualitative and quantitative studies. Pursuant to this, our main findings are presented, consisting of four sections: (1) qualitative analysis findings with regard to the connection between marketing strategy and MPM; (2) quantitative analysis results, including hypotheses testing's main findings; (3) a thorough analysis of 29 medium and large-sized companies in Slovenia which will help clarify results gathered during quantitative analysis; (4) an in-depth interview with the Chief marketing officer (hereafter CMO) of Istrabenz Tourism, later presented as a case study. Finally, our main finding are summarised and presented in the conclusion.

# 1 MARKETING PERFORMANCE MEASUREMENT SYSTEMS

Performance measurement is a theme frequently discussed, but less frequently defined appropriately. In its most accurate definition, it is a procedure for measuring action, where quantification and measurement of procedure and action lead to better performance. Seen from a marketing perspective, companies accomplish goals by satisfying their clients through improved efficiency and effectiveness in comparison to competitors (Kotler, 1989). These two terms, efficiency and effectiveness, are used precisely in this perspective. Effectiveness refers to the level to which customers' desires are met, whilst efficiency is related to company resource utilisation whilst satisfying demand. This topic is of paramount importance as it not only recognises two essential performance dimensions, but also highlights the fact that there are internal and external explanations behind specific actions (Slack, 1991).

Improved company performance is, consequently, the reason for evaluating the efficiency and effectiveness of company undertakings, therefore (Katsikeas, Morgan, Leonidou, & Hult, 2016):

- Performance measurement is a procedure for measuring the efficiency and effectiveness of actions.
- Performance measurement outlined to quantify the efficiency and/or effectiveness of actions is expressed in metrics.
- A performance measurement system is a set of metrics for quantifying both the efficiency and effectiveness of actions.

In marketing literature, measuring marketing performance has long been of central concern (Parker, 1962; Feder, 1965) and it remains a troubled issue for many companies (Herremans & Ryans, 1995; Fellman, 1998), especially those in businesses where marketing expenses are significant (Foster & Gupta, 1994; Sheth & Sisodia, 1995). MPM, a business procedure that offers performance response to businesses regarding the consequences of marketing efforts, is becoming a managerial priority (Clark, Abela, & Ambler, 2006); these include decoding marketing strategy into preferred performance and outcomes, communicating these opportunities, checking development, delivering response, and inspiring workers through performance-based rewards and sanctions; on the other hand, marketing performance systems still remain a broadly unaddressed topic (Cark, 1999).

Often, when debating performance measurement, only a few characteristics are considered: cost, time and quality (Kitchenham, 1996). Elsewhere, it is discussed in terms of monitoring performance in terms of quality, effectiveness, efficiency, timeliness and costs. Using some of the aforementioned standards provided by Gillies (1997), the performance can be considered as follows:

- Performance is not absolute: its importance varies in relation to procedure, e.g. performance in relation to ordering processes is not equivalent to performance in relation to surgical processes in operating theatres.
- Performance is multidimensional: as performance has many contributing factors, it cannot be evaluated in terms of only one indicator.
- Performance indicators are dependent: most performance indicators stand in relation to each other; in the main, relationships are either conducting or complementary; independence is the exception rather than the rule.

Morgan and researchers (2002) announced that both researchers and executives lacked a wide-ranging understanding of the marketing performance process and the aspects that affect the design and utilisation of marketing performance assessment systems within companies. The challenges faced in relation to MPM are resultant of the difficulty faced when measuring performance pursuant to the softness of marketing objectives, the concomitant engagement of numerous marketing strategies (Miller & Cioffi, 2004), information overload (Clark et al., 2006), and the excessive importance of financial monitoring in organisations (Ambler & Xiuxin, 2003). Educationally, there is abundant indication that performance response positively influences results in terms of decision-making attitudes and behaviour (Curren, Folkes, & Steckel, 1992). Performance, as a notion, can be conceptualised in many ways, but is generally subdivided into two in the literature (Appiah- Adu, 1998):

- The subjective concept is primarily concerned with the performance of firms in relation to their own belief system, or relative to its rival(s).
- The objective concept is founded on more, seemingly "absolute", performance measures.

As noted heretofore, we see MPM as exact, organisational, market information processing. Sinkula and Baker (1999) suggest that information processing be divided into four key areas:

- Information generation: the understanding of information generation was expanded to include the number of marketing activities assessed and the number of measures used by the company (Clark et al., 2006).
- Dissemination: information dissemination is the horizontal and vertical allocation of information inside corporations (Sinkula & Baker, 1999).
- Interpretation: interpretation in relation to marketing performance measurement is the level to which performance information is given meaning (Daft & Weick, 1984; Sinkula & Baker, 1999).
- Organisational memory: Sinkula and Baker (1999) argue that memory is more significant for valuable learning than acquisition and transmission.

## 1.1 How and why we measure

With regard to marketing performance, measurement may trickle through to performance; research concerning itself with internal and external marketing suggests that learning is a likely mediating instrument (Morgan et al., 2002). Van Bruggen, Smidts, and Wierenga (1998) suggest that marketing resolution support systems raise profits in simulations by helping decision architects find the variables important for making better decisions. Bringing these strands together, Baker and Sinkula's sample (1999) prove that learning focus can raise both product modernisation and overall performance.

The literature further suggests that performance measurement should: primarily, assist organisations assess proposed strategy realisation; secondly, communicate the plans and goals expected to to be realised to personnel; thirdly, assist in making decisions on the planned strategy's usefulness; finally, facilitate individual and organisational learning and improvement (Morgan et al., 2002). This field of interest is of increasing importance and gaining increased attention in both the business and academic world. The importance of the manner in which globalisation became the undisputed reality has led to an increasing number of companies seeking opportunities abroad in order to survive; globalisation's forward march making export markets a significant focus for many companies (Leonidou & Katsikeas 1996).

## 1.2 Business performance measurement dimensions

Marketing literature usually suggests that quantitative indicators and qualitative constructs can be placed in one of the four theoretical categories below (see Table 1), (Kaplan & Norton, 1996).

Table 1. Category Indicators

| **Effectiveness** | **Efficiency** | **Adaptability** | **Innovativity (innovation and creativity)** |
|---|---|---|---|
| • Market share<br>• Percentage change<br>• Customer satisfaction<br>• Customer loyalty | • Return on investment (hereafter ROI)<br>• Return on assets (hereafter ROA)<br>• Return on equity (hereafter ROE)<br>• Return on capital employed<br>• Return on sale (hereafter ROS)<br>• Net profit after taxation | • Percentage share of turnover generated by new products<br>• Rate of workforce fluctuation during economic crisis or prosperity | • Research and development costs in terms of total expenditure |

Source: *R. S. Kaplan & D. P. Norton, Using the Balanced Scorecard as a Strategic Management System, 1996, p. 82.*

- **Effectiveness** is the success of a company's products and programs, actions, measures and campaigns when compared to its major competition are conceptualised in terms of market efficiency; when talking about effectiveness, we chiefly address business success resulting from the short and long-term realisation of a company's marketing objectives (Bauer & Beracs, 2006), as it is primarily the marketing function, with its customer focus, that plays a special role in terms of development (Kaplan & Norton, 1996).

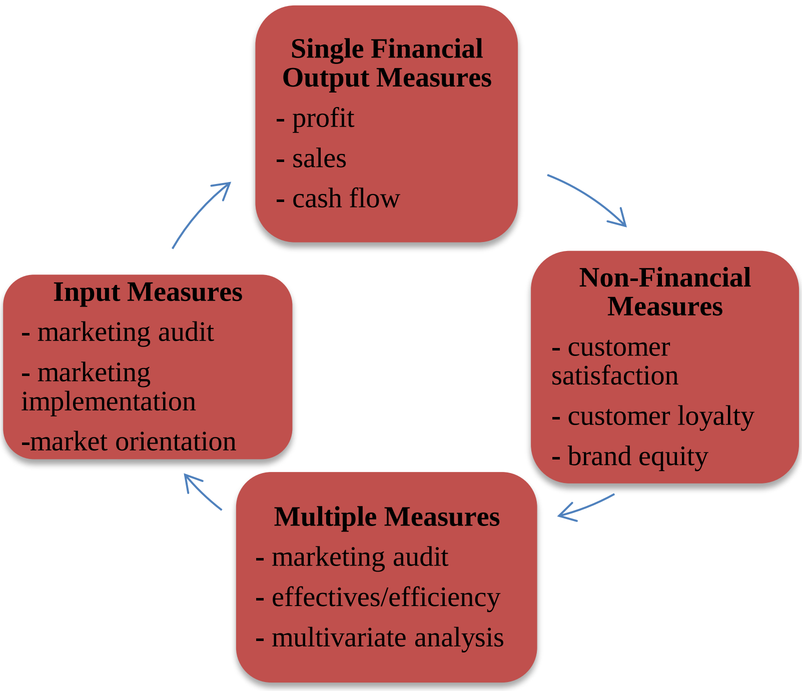
- **Efficiency** suggests measuring profitability; in economics, all efficiency indicators, in a way, measure the ratio inputs to output (Sajtos, 2004).

- **Adaptability** concerns itself with company response competence in relation to the ever-changing internal and external environments.

- **Innovativity** is conceptualised as the timely exploration of market opportunities by companies in response to innovation, demographic change, changes in customer attitudes of, and the like (Drucker, 1993).

## 1.3 Development of MPMS development

*Figure 1*. Marketing Performance Measure's Expanding Domain




Source: *B. H. Clark, Marketing Performance Measures: History and Interrelationship, 1999, p. 192.*

Preliminary articles regarding marketing performance systems (hereafter MPS) considered marketing, in the main, in terms of its role as a cost centre (Sevin, 1965). Clark's (1999) analysis of historical data led him to state that three consistent marketing performance dimensions had been presented until then: primary, from financial to non-financial output measures; secondary, from output to input measures; and tertiary, from one-dimensional to multidimensional measures. Below is a detailed explanation of all three dimensions (see Figure 1).

### 1.3.1 From financial to non-financial output measures

A lot of work has been done in recent years concerning the use of non-financial metrics to better understand their connection to financial metrics (Anderson, Fornell, & Mazvancheryl, 2004). Performance measurement systems have only been affected slightly: in the main, senior and middle-management evaluate enterprise performance in terms of financial measurements and qualitative factors, such as customer satisfaction and job satisfaction (Eccles, 1991). Companies now focus less on financial measurements based on Accounting Standards, such as profit, return on investment, and return on assets, alone to assess overall corporate performance (Wheelen, 2002).

However, some businesses recognised the significance of non-financial performance measurements several years ago. Growing global competition and the growth of the total quality management movement have increased the appeal of non-financial performance measurement (Malina & Selto, 2001). Without hesitation, the toughest measurement trend in the 1990s was the move by a variety of industries from solely measuring success in terms of product success, a narrow definition, to the additional use of complementary non-financial metrics oriented toward customer value. Clark (2001) found that non-financial metrics better motivated managers to be more attentive to their relationship with financial metrics and increased the accuracy of their prediction with regard to these metrics (Ittner & Larcker, 2003). Lastly, it has been stressed that the use of non-financial metrics may improve manager performance ratings by providing a more precise evaluation of their actions, as many non-financial metrics are less susceptible to externalities than financial ones (Spremann & Gantenbein, 2002). In recent years, researchers have mainly focused their attention on three non-financial metrics: customer satisfaction, customer loyalty, and brand equity.

### 1.3.2 Customer satisfaction

According to Gruca and Rego (2005), the success of marketing actions had traditionally been evaluated in terms of achieved marketplace outcomes, such as sales and market share. In contrast, many senior managers today insist that the ultimate goal of all functional areas within organisations is, in fact, the creation of shareholder value (Day & Fahey, 1988). Several empirical studies over the years have shown that organisations can, in fact, facilitate favourable customer behaviour, such as greater loyalty and positive word-of-mouth advertising, by satisfying customer demand. By triggering such behaviour, organisations can, in turn, achieve superior performance in terms of financial metrics (Gruca & Rego, 2005). Therefore, by satisfying demand, organisations generate benefits for themselves and ensure greater financial success. In 1993, Rust and Zahorik suggested that customer satisfaction might positively impact market share and, thus, increase profitability, whereas Gruca and Rego (2005) imply that satisfied customers are more loyal and, as such, generate higher value for the firm through increased purchasing levels and positive word-of-mouth advertising.

Nevertheless, Clark (2001) stresses that customer satisfaction measurement in practice is much more challenging than many organisations believe, for example, Peterson and Wilson (1992) assessed many studies where the distribution of customer satisfaction responses were extremely inclined toward the positive. According to Clark, such results can lead to two main problems pursuant to the fact that if the majority of companies reach an 85% score in terms of customer satisfaction, then competitive advantage has no real meaning. Primarily, it means that high levels of satisfaction gained during evaluation may be of little relevance as customers are similarly satisfied by competing products. Secondly, Peterson and Wilson (1992) state that such extremely high-skewed distributions decrease the probability of a significant correlation between satisfaction and other performance variables actually being observed. Consequently, customer satisfaction, one of the most important and widely used non-financial metrics, can be misleading in some cases.

Behavioural metrics related to brand purchase and repurchase are presented in the literature (Uncles, Ehrenberg, & Hammond, 1995), but Dick and Basu (1994) expand beyond the behavioural concept of loyalty, and stress that customer loyalty be viewed in terms of the strength of the relationship between an individual's relative attitude and repeated patronage. Supporters note that financial performance is perceived in terms of repurchase, not levels of customer satisfaction.

### 1.3.3 Brand equity

Brand equity has been defined as "outcomes that accrue to a product as a result of its brand name", i.e. the benefits a product achieves through the power of its brand name (Stahl, Heitmann, Lehmann, & Neslin, 2012). Throughout history, many different methods have been proposed for measuring brand equity; however, they all share the idea that the power of a brand is in every customers' mind (Stahl et al., 2012). Brands thus reflect the complete experience customers have with products and play an important role in determining the effectiveness of marketing efforts, such as advertising and channel placement. Numerous studies have successfully shown the connection between marketing activities on one hand, and brand equity on the other, whilst, in addition, Aaker and Jacobson (1994; 2001) also found a positive link between perceived brand quality and attitude and respective stock prices. For example, Srivastava, Shervani & Fahey (1998) suggested that strong customer relationships manifest in channel and brand equity, enable firms to commit their human resources to entrepreneurial activity, such as developing new products, customising existing solutions, and extending existing product lines. Empirical evidence from industry studies also suggests that the more positive the brand attitude is, the quicker is customer response to new products. Additionally, Srivastava et al. (1998) argue that brand equity can be tapped in a variety of ways, allowing firms to charge higher prices, achieve greater market share, develop better communication programs, attain greater customer loyalty and distribution clout in the marketplace, deflect competitive initiatives, stimulate earlier product trial and referrals, and help develop and extend product lines. Furthermore, Clark (1999) suggests that strong brands generally have three main characteristics:

- they allow firms to charge price premiums over unbranded or poorly branded products;
- they can be used to extend a company's business into other product categories; and
- they reduce perceived customer and investor risk.

Branding has thus emerged as a top management priority in the past decade, as many managers and researchers currently believe that a brand of high quality is amongst the most valuable intangible assets firms possess (e.g. Keller, 1998; Keller & Lehmann, 2006).

# 2 MARKETING STRATEGY

Successful companies are distinguished from less successful ones, not only in terms of well-designed marketing strategies, which outline how, when and where companies will compete, but also in their capacity to enable designed marketing strategies (e.g. Day & Wensley, 1988; Varadarajan, 2010).

## 2.1 A short history of marketing strategy development

Nowadays, according to marketing academics, companies prefer retaining existing clients, managing their relationship with them, over getting new customers, which extends beyond the buyer-seller dyad (Day & Montgomery, 1999; Morgan & Hunt, 1994; Webster, 1992). This approach is commonly known as RM, as determined by Morgan and Hunt in 1994. The aim of marketing activities in terms of RM is to create, develop and maintain strong and successful relationships with trading partners (Coviello, Brodie, Danaher, Johnston, 2002).

Nonetheless, the relationship approach was not the prime marketing perspective in relation to marketing development. For some time, the commonly accepted view of marketing was as set by the American Marketing Association (hereafter AMA) in 1985. The AMA defined marketing as: “the process of planning and executing the conception, price, promotion, and distribution of ideas, goods, and services created to exchange and satisfy individual and organisational objectives." In parallel with this definition, certain academics argue that this view is no longer acceptable, that it is out-dated, and that it is only relevant for specific markets and businesses (e.g. Hakansson, 1982; Berry, 1983; Ford, 1984; Gummesson, 1994; Gronroos 1990). Moreover, they dispute the "4P" perspective that is predominately utilised by multinational enterprises in monopolistic markets, and only based on short-term economic benefits (Gronroos, 1990). Moller (1994) noted that AMA view is likely to assume "primarily, a stimulus-response relationship between the firm and its customers", where markets are made up of indifferent, autonomous participants.

Pursuant to much criticism, a new paradigm, RM, was established. The new paradigm, RM, is more appropriate where marketing is determined in terms of easing and maintaining interactions with clients over time (Coviello et al., 1997). This new context was defined by Gronroos (1990, p. 9): *"to establish, maintain, and enhance relationships with customers and other partners, at a profit, so that the objectives of the partners involved are met. This is achieved by mutual exchange and fulfilment of promises".*

RM in its broadest form can integrate, according to Kotler (1992), Morgan and Hunt (1994), everything from database marketing to customised client service, internal marketing, brand loyalty, customer loyalty programmes, interactional relationships and strategic coalition. Gummesson (1994) coined the term "RM", which has become a "catch-all" phrase, an approach whose basic concepts are connected to relationships, interaction and networks. Research (e.g. Gronroos, 1990; Webster, 1992; Morgan & Hunt, 1994) which is associated with interaction and networks had also complicated matters, they are generally classified as RM.

There are many different types of relationship with different stages in the marketing field which could be investigated. On the one hand, transaction marketing is primarily concerned with exchange activities between trading partners in the market, in addition to delivering products and services to companies. On the other hand, RM especially focuses on interactions with distinctive customers, individuals, companies, and groups of companies.

Gronroos (1990) and Webster (1992) viewed TM and RM as two mutually exclusive paradigms, both at opposite ends of a continuum. Pursuant to this simple two-way classification of marketing strategies, a broadening of the concept beyond the existing TM and RM approaches was suggested. Coviello, Brodie and Munro (1997) developed a more pluralistic conceptualisation of marketing; they broadened the simple two-way classification of marketing to one characterised by multiple complex processes and introduced four different marketing aspects (see Table 2).

This conceptualisation integrates TM and RM. In addition, it allows for a better understanding of how companies relate to their markets and their relative emphasis on transactional or relationship exchange (Coviello et al., 2002). RM is concerned with value, and this is linked to customer acquisition and retention (Hultman & Shaw, 2003).

Table 2. Marketing Strategy Aspects

| **Aspects of marketing** | **Short description** |
|---|---|
| TM | Managing the marketing mix to attract and satisfy customers |
| Database marketing | Using tools based on technology to retain existing customers |
| Interaction marketing | Establishing interpersonal relationship between buyers and sellers for mutual benefit |
| Network marketing | Developing multi-party interfirm relationships for mutual benefit |

Source: *N.E. Coviello et al., Understanding Contemporary Marketing: Development of Managerial Perceptions and Practices, 1997, p. 505.*

## 2.2 Identifying strategies

In order to analyse and support empirical study on the connection between MPM systems and marketing strategy, the following marketing classification was developed. Marketing strategies were classified into simple schemes, and these were used to help distinguish and identify four types of marketing strategy, which were then synthesised into two broader perspectives (see 2.1 A short history of marketing strategy development: TM and RM above).

According to research carried out by Coviello et al. (1997), marketing strategies are conceptualised from two opposite perspectives: transactional and relationship. Hence, the terms: (1) TM; and (2) RM. However, to broaden the understanding of marketing strategies beyond the existent, simple, two-way classification, TM and RM are not considered as mutually exclusive (Coviello et al., 1997). In this respect, three main types of marketing strategy have been recognised, and these represent the conceptual foundation of this research. TM is characterised by its use of the marketing mix (4P concept) and marketing activities focused, in the main, on attracting customers and standardising interaction with them. RM is identified by its relationship-focused conceptualisation of customer interaction, and its significant orientation towards creating, developing and building relationships with individual customers/segments; there is also a strong inclination towards cooperation. Lastly, TRM is defined by its combination of relationship and transactional approaches to customer and supply-chain relationships. Find below a detailed explanation of strategy characteristic (see Table 3).

Table 3. Strategy Characteristics

| Characteristics | Transactional strategy | Relationship strategy |
|---|---|---|
| Customer relationship management (hereafter CRM) | Poorly developed | Highly developed |
| Attracting vs. Retaining customers | Attracting customers | Retaining customers |
| Long-term relationship vs. standardised interactions | Standardised interactions | Long-term relationships |
| Marketing communication: mass market vs. individual customers | Mass market–impersonal communication | Individual customers–personalised communication |
| Cooperation with non-marketing functions (e.g. knowledge sharing) | Week cooperation–lack of information sharing | Strong cooperation–knowledge dissemination across the whole company |
| Marketing: expense centre vs. an investment centre | Expense centre | Investment centre |

Source: *L. Lamberti & G. Noci, Marketing Strategy and Marketing Performance Measurement System, 2010, p. 143.*

In the following analysis of strategies, we present additional, in-depth, marketing strategy characteristics.

### 2.2.1 Transactional marketing

TM is closely related to the marketing mix as it involves companies attracting and satisfying customers by managing the elements of marketing mix. TM tries to develop distinct economic transactions. These transactions may be repeated in the future, but, in general, they are considered as individual transactions, at arms' length, and mainly impersonal and formal.

Moreover, the result of this is active sellers who do everything from managing the exchange process to communication with buyers, who are passive in this relationship. It is important to note that the transactional approach targets mass markets. In addition, at the managerial level, TM can be managed using elements of the marketing mix (Coviello et al., 1997); the expanded marketing strategy characteristics can be seen in Table 4.

Companies which utilise TM do so in the belief that by focusing on a set of inter-related decisions in marketing, marketing managers are able to spot and position products and services within a defined customer segment, thus influencing marketing responses in a planned and desirable manner (Hultman & Shaw, 2003).

### 2.2.2 Relationship marketing

RM companies utilise a relationship-oriented technique to better develop customer interaction. RM companies try to build and maintain long-term relationships with their clients and supply-chain. In addition, these companies are strongly focused on collaboration (Lamberti & Noci, 2010). According to several authors (Morgan & Hunt, 1994; O'Malley & Tynan, 1997; Pels, 1997), RM can be facilitated using various marketing activities, e.g. building trust, reputation and goodwill, and creating positive personal statements.

Table 4. Marketing Strategy Characteristics

| | **Transactional strategy** | **Relationship strategy** |
|---|---|---|
| Purpose of exchange | Economic transaction | In addition to the economic, this also considers information exchange, and the interactive relationships between exchange parties |
| Communication | Firm to mass market | Individual customers |
| Type of contact | Arms' length and impersonal | Personalised communication |
| Formality | Formal | Formal and informal |
| Duration | Discrete and short-term, though these actions may be repeated in time | Long-term relationships |
| Managerial intent | Customer attraction | Customer retention |
| Managerial focus | Product and brand | Customer |
| Managerial investment | Internal marketing assets (focus on the marketing mix) | External marketing assets (focus on establishing and developing relationships with other individuals) |
| Managerial level | Functional marketers, e.g. sales manager and product development manager | Managers from across functions and levels in the firm |
| CRM | Poorly developed | Highly developed |
| Cooperation with non-marketing functions, e.g. knowledge sharing) | Weak cooperation with a lack of information sharing | Strong cooperation with knowledge dissemination throughout the company |
| Marketing: expense centre vs. an investment centre | Expense centre | Investment centre |

Source: *L. Lamberti & G. Noci, Marketing Strategy and Marketing Performance Measurement System, 2010, p. 144.*

The aforementioned activities do not create any direct economic benefit, though they are classified as marketing activities, and can be performed on their own, or in tandem with activities related to TM (Hultman & Shaw, 2003). The point of RM is to retain customers, for longer periods of time; therefore, relationships must be more than the formal interaction between exchange parties (see Table 4).

The key benefit, and the reason for choosing the relationship approach rather than the transactional, is that it better develops long-term interaction between company and customer (Webster, 1992). Gronroos (1991) latched on to this characteristic and argued that the purpose of RM is to, "establish, maintain, and enhance relationships with customers and other partners".

# 3 THE LINK BETWEEN MARKETING STRATEGY AND MPMS

The role of marketing has become an important factor in explaining company business performance. The need to connect marketing to overall company performance has become increasingly crucial to marketers. Recent progress in the marketing/financial field have provided empirical proof of the impact of marketing activities on company financial performance, resulting in greater clarity in terms of the relationship between  marketing and business performance (Morgan & Hunt, 1994).

Table 5. Strategic Management and Performance Difference Paradigms

| **Paradigms** | **Description** |
|---|---|
| Structure-conduct performance | This paradigm views performance differences amongs companies in terms of a company's ability to find, create and exploit market imperfections that reduce competitive rivalry and the resulting price competition (e.g., McGahan & Porter, 1997; Porter, 1991). According to SCP, company performance is driven by the level of competition in which a business entity chooses to work. SCP's focus on strategy formation determines its focus on market selection and industry analysis (Teece, Pisano, & Shuen, 1997). |
| Resource-based view | From this perspective, companies are conceptualised in terms of their resources, representing individual company competitive advantage, and the resulting better performance, e.g.: Conner, 1991; Peteraf, 1993; Wernerfelt, 1984. Resource diversity creates distinctions in individual company's ability to design and execute particular value-creating strategies which point to interfirm performance differences (e.g., Amit & Shoemaker, 1993; Miller & Shamsie, 1996). The focal point of strategy structure in the RBV paradigm is the identification of essential resources and the utilisation of those company-specific resources (Amit & Shoemaker, 1993; Grant, 1991). |
| Dynamic capabilities | The DC paradigm claims that since marketplaces are dynamic, in contrast to the simple heterogeneity in terms of company resource endowment, it is the way in which companies' resources are acquired and deployed to match companies' market environments that explain business performance differences amongst companies over time (e.g., Eisenhardt & Martin, 2000; Makadok, 2001; Teece et al., 1997). Capabilities are dynamic when they enable a company to adjust its available resources to implement new strategies to cope with changing market conditions e.g., Teece et al., 1997. |

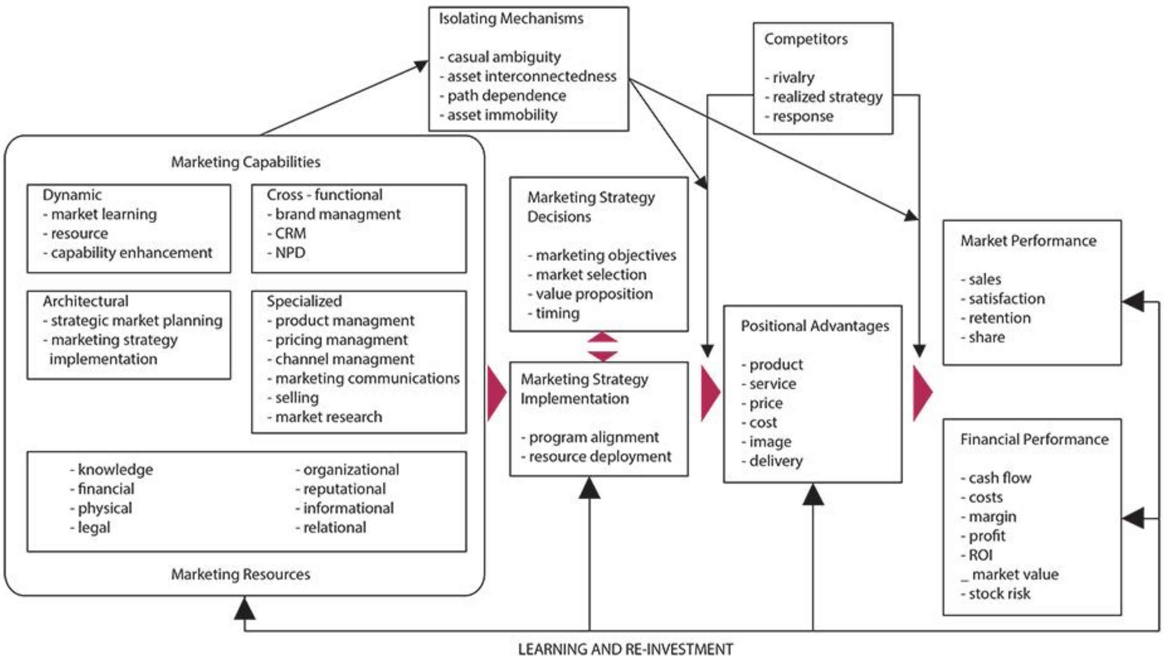
Source: *N. A. Morgan, Marketing and Business Performance, 2012, p. 110.*

According to Ketchen and Hult (2011), this empirical understanding and separate development of theory were initiated to clarify company performance in terms of strategic management.

Strategic management, examining competitive advantage and the resulting performance differences amongst companies, is dominated by three paradigms: (1) the structure-conduct-performance (hereafter SCP) paradigm; (2) the resource-based view (hereafter RBV); (3) dynamic capabilities (hereafter DC) theory (see Table 5).

Morgan integrated these three dominant, strategic, marketing theories, theories previously presented as individual strategies, in order to combine their individual characteristics and develop a complete theoretical scheme connecting marketing with company business performance (see Figure 2).

*Figure 2*. Conceptual Model Linking of Marketing Resources




Source: *N. A.Morgan, Marketing and Business Performance, 2012, p. 112.*

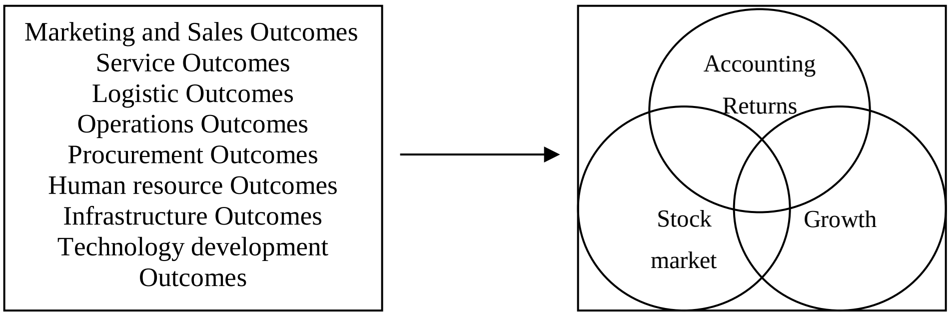
## 4 The chain of marketing performance outcomes

In order to understand how marketing efforts contribute to organizational performance, i.e. "the economic outcomes resulting from the interplay amongst an organisation's attributes, actions, and environment", we should first understand the organisational performance construct (Combs, Crook, & Shook, 2005).

## 4.1 Sand operational performance

To date, numerous studies have focused their efforts on identifying the main dimensions of organisational performance (e.g. Murphy, Trailer, & Hill, 1996; Rowe & Morrow, 1999; Tosi, Werner, Katz, & Gomez-Mejia, 2000), however the number of recognised dimensions and corresponding measures vary greatly across studies. Nevertheless, all studies agree that performance is multidimensional. In their study of the dimensionality of organisational performance, Combs et al. (2005) recognise three main dimensions in relation to organisational performance, namely, accounting returns, the stock market and growth. These three dimensions are closely linked, yet distinct, as they provide the strongest empirical evidence that between-dimension measures discriminate whilst within-dimension measures converge. In this context, Combs et al. (2005) further suggest that operational performance is related to, but outside organisational performance's conceptual framework (see Figure 3). Operational performance is multidimensional in itself and is comprised of several value chain activities, whereby outcomes are not necessarily related to each other and may have different, even competing, impacts on organisational performance.

*Figure 3.* Operational and Organisational Performance Dimensions




Source: *M. E. Porter, Competitive Advantage, 1985.*

As Porter (1985) describes, value chains refer to activities within and around an organisation and relate these activities to the competitive position of the organisation. These activities are either primary activities, such as marketing, or secondary, such as human resource management and procurement, and they help the organisation bring the product or service to customers and create value. In this respect, operational performance can be described as antecedent of organisational performance and refers to the fulfilment of goals within the different value chain activities of the firm that may subsequently impact on organisational performance. As marketing is a part of operational performance, its impact on company performance should be viewed in line with the conceptualisations of organisational and operational performance (Katsikeas et al., 2016).

## 4.2 The marketing performance outcome chain

In a recent study, Katsikeas et al. (2016) developed a conceptual model to identify the primary steps in creating operational and organisational marketing performance outcomes. The chain consists of several stages within operational performance outcome realisation which ultimately impact on organisational performance. As Rust, Ambler, Carpenter, Kumar, & Srivastava (2004) suggest in their study on measuring marketing productivity, companies should have a business model that supports the tracking of how marketing expenditures, such as promotions and marketing communication, contribute to profit, and how this expenditure affects marketplace performance. Consequently, companies should be able to measure the impact of marketing investment on customer beliefs, feelings, knowledge and, ultimately, their behaviour utilising non-financial metrics, e.g. attitude and intention. Rust et al. (2004) further suggest that marketing activity such as new product release, advertising campaigns, service improvement efforts, branding initiatives, loyalty programs and other specific initiatives designed to have marketing impact help create and leverage long-term, market-based assets, and, therefore, drive financial metrics, such as profits, sales and shareholder value.

In this respect, Katsikeas et al. (2016) recognised the first stage in the chain of marketing performance outcomes, which includes marketing resources, strategy and strategic decisions regarding marketing actions. It is argued that well-prepared marketing strategies are not the only thing that distinguish successful organisations, their ability to make marketing strategy decisions and ultimately achieve the desired goals is also of importance (Morgan, 2012).

An effectively implemented marketing strategy is required to deploy available resources to appropriate marketing actions in pursuit of these goals. Managers, therefore, have to make decisions with regard to firms' desired priorities and objectives, establish marketing related goal criteria accordingly, and set target levels for each goal in order to combine appropriate marketing activities into concrete marketing programs (Morgan, 2012; Rust, 2004). Only after strategic decisions regarding marketing actions have been made and associated marketing program resources productively deployed can a firm start creating value. Therefore, realised marketing programs are the first stage in operational performance outcome, resulting from value-chain activities related to marketing (Katsikeas et al., 2016; Porter, 1985). Once marketing programs are realised, firms can start creating value by influencing customer perception, feelings, thoughts and beliefs. The next stage in the realisation of operational performance outcomes thus begins with customer perception and their behavioural responses to organisations' value offerings created through marketing programs (Katsikeas et al., 2016). According to Keller and Lehman (2006), customer behaviour is evoked through brand positioning which sets the direction of marketing activities and programs.

In their earlier work, Keller, Weitz, & Wensley (2002) define brand positioning as establishing key brand associations in customers' minds, establishing other important constituents that help differentiate brands, and creating competitive dominance to the highest extent possible. Hence, brands reflect the full experience customers have with firms' products and play an important role in determining how effective marketing efforts are, such as advertising (Keller & Lehman, 2006). Brown and Dacin (1997) further suggest that what a person knows about a company and its offerings, their pre-existing corporate associations, influences their perceptions of the company's products. Therefore, how companies position themselves and their brands greatly influences how customers perceive their future products and services. Additionally, Stahl et al. (2012) suggests that well prepared marketing program actions and the ensuing brand awareness have an especially strong positive relationship with customer lifetime value, i.e. customer retention, acquisition and profit margin per customer. Consequently, as Katsikeas et al. (2016) imply, the greater the number of customers who are aware of a firm's marketing programs, perceiving them positively, the greater will be the number of purchase selection decisions favouring the firm's value offering and the more likely these customers will be satisfied with their purchase and engage in positive post-purchase behaviour.

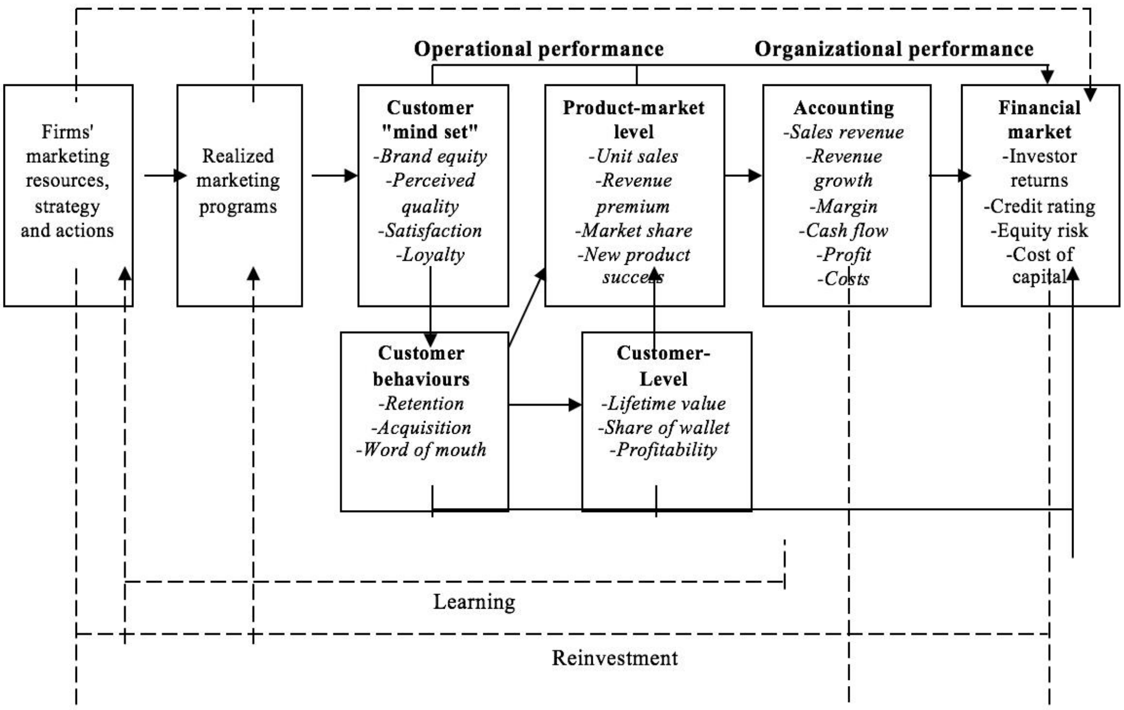
Customer purchase and post-purchase behaviour, such as word of mouth referrals and repurchase, further result in market outcomes, i.e. the purchase behaviour responses of customers in the target market to the firm’s realised positional advantage (Morgan et al., 2002). These market outcomes may be observed by the market, i.e. retailers, suppliers and shareholders, and can be adjusted to individual customer or group levels in terms of metrics, including customer life time value (hereafter CLV), profitability and share of wallet (Katsikeas et al., 2016). As Stahl et al. (2012) suggest, brand equity, on the one hand, is embedded in the hearts and minds of customers, while CLV, on the other, is manifest in the dollar value of customer purchases, and is driven by retention and acquisition rates, and profit margins. Therefore, the more customers engage in positive post-purchase behaviour and repurchase firms’ products, the greater the CLV and, consequently, the greater the value realised by firms. Rust et al. (2004) suggest that purchase and post-purchase behaviour also influence the market by changing sales and market share, for example, the more customers are satisfied with their purchase decisions, the higher is their willingness to pay a premium price, make referrals and repurchase more products, which in turn leads to lower sales and service costs, greater customer retention and loyalty, and, consequently, greater profitability and market share (Rust et al., 2004).

Next, market outcomes are converted into accounting indicators to evaluate a firm’s financial performance, measured through profitability, sales revenue, sales growth, cash flow and margins (Katsikeas et al., 2016). Accounting indicators, therefore, represent the first line in organisational performance outcome driven by the aforementioned stages of operational performance outcome realisation.

Lastly, Katsikeas et al. (2016) stress that the entire chain of performance outcomes, both operational and organisational, is observed by investors who use the data to evaluate potential investments, assessing the value of a firm's stock and debt. Accordingly, investors and managers are not only concerned with valuing a firm's expected returns, i.e., the anticipated level, timing and duration of cash flow, but also with the associated risks to discount their value (Day & Fahey, 1988). Investors, therefore, use financial market-based measures of a firm's performance in terms of potential financial rewards, e.g. total shareholder return, and other data associated with risk, such as credit ratings and cost of capital. Most of the information that investors need for such valuations is available in company accounting statements; however, these valuations are also directly influenced by customer behaviour and market performance (Katsikeas et al., 2016). For example literature said that brands affect both the variability of cash flow, as reflected in stock return variations, and the vulnerability of cash flow, as reflected in the evaluation of debt repayment risk.

Therefore, brand positioning and customer brand perception can ultimately influence the financial performance of a firm in terms of financial market indicators.

*Figure 4.* The Marketing Performance Outcomes Chain




Source: *C. S. Katsikeas et al., Assessing Performance Outcomes in Marketing, 2016, p. 16.*

Furthermore, Mizik and Jacobson (2003) suggest that shifts in strategic emphasis can also affect a firm's stock returns, meaning that changes in a firm’s marketing strategy and capability can potentially impact on investor valuation of a firm's returns and risks.

According to Katsikeas et al. (2016), this marketing performance outcome chain is dynamic in two respects (see Figure 4).

Firstly, financial resources that the firm generates through its market performance are further reinvested into building and maintaining its marketing resources and capabilities. Secondly, going through all of the stages of this chain allows the firm to learn and adjust its deployment of resources as well as management and preparation of marketing actions and marketing programs.

## 5 Marketing strategy and MPMS within companies

As aforementioned, MPMS is adapted to the specificities of company strategy. Company strategy may differ pursuant to transactional and relationship concerns, but also pursuant to:

- size (small/medium/large);
- ownership (state/private);
- market location (domestic/regional/global);
- customer typology (B2B/B2C).

Company size strongly influence MPMS choice. There are differences between small, medium-sized enterprises (hereafter SMEs) and large companies, so there is a need for different approaches in terms of performance measurement (Garengo, Biazzo, & Bititci, 2005). According to studies, SMEs take a mostly informal approach to performance measurement, unplanned and not based on any predefined model (e.g. Barnes, Dickinson, Coulton, Dransfield, Field, Fisher, Saunders, & Shaw, 1998; Garengo et al., 2005; Hudson, Smart, & Bourne, 2001). For most SMEs, performance measurement is used to solve specific problems evidenced using random performance metrics rather than resultant of planned performance measurement systems (Barnes et al., 1998). There is, therefore, poor connection between strategy and its corresponding metrics in terms of describing performance measurement systems in SMEs (Garengo et al., 2005). In addition, SMEs lacking the managerial capacity of large companies, their and their assets, especially capital resources, cannot implement corresponding performance measurement systems.

The choice of MPMS system adopted by a company is affected by its marketing orientation (e.g. Kohli & Jaworski, 1990; Srivastava et al., 1998; Kumad & Petersen, 2005). Therefore, private and state-owned companies have different marketing orientations

(Andreassen, 1994) which are strongly influenced by three forces (Kohli & Jaworski, 1990):

- senior management signals;
- inter-departmental factors;
- organisational structures.

State owned companies differ from private ones in that they they usually reduce manager freedom to influence strategy, limit their ability to raise capital, and provide less customer benefit due to their homogeneous products and services (Andreassen, 1994). State owned companies can follow a more customer-specific orientation, but only if senior management is able to communicate the importance of a commitment to satisfy customer need. In summation, state owned companies are less customer, relationship, focused than the private ones offering differentiated products and services, indicating heterogeneous customer preferences (Kohli & Jaworski, 1990). RM concepts influence many B2B, and this is evidenced in several ways: academics and practitioners have noted that long-term collective relationships between trading partners positively influence business and improve company performance (Spekman & Carraway, 2006). In addition, according to Morgan and Hunt (1994), building relationships with trading partners demands a high level of investment and involves high switching costs due to the critical nature of the assets exchanged.

Therefore, the indicators essential for developing relationships and for ensuring that mutually compatible goals are achieved are trust, commitment and personal communication. A key focus of B2B companies is their customer base, their key stakeholders; they are, therefore, dedicated to understanding individual customer needs (Spekman & Carraway, 2005). According to Kalwani and Narayandas (1995), it is important to note that within B2B businesses, marketing orientation and RM overlap: the main point of relationships is the long-term satisfaction of customer need. The RM approach of B2B companies is also visible in their choice of MPM system. B2B companies still place a great deal of importance on financial performance metrics; however, it is also important for them to have a deeper understanding of their customers, and this is achieved through the use of customer-based performance measures (Zahay & Griffin, 2010).

# 6 Research methodology

The connections between marketing strategy and MPM system will be investigated utilising the following methodology:

- Qualitative analysis
    - In depth case studies of some of Slovenia's biggest companies

- Case study: Istrabenz Tourism
    - Quantitative analysis
- Hypothesis testing (based on survey data)
- Analysis of 29 selected Slovenian companies

Using the above, we sought connections between the marketing strategies and MPM systems used by companies in Slovenia and how this differs from the exiting literature. With the help of qualitative analysis, we will gain further insight into:

- the types of marketing strategy used;
- how marketing strategy influences activities/measures taken;
- how activities are measured;
- why measurement takes place;
- who is responsible for measurement;
- the relative importance marketing departments have in individual companies and how they influences strategic planning;
- whether marketing is an investment or cost centre;
- the type of relationship they have with their customers.

The quantitative analysis carried out support the findings of our qualitative analysis.

## 6.1 Research methodology for qualitative analysis

Primary data was collected using case study methodology, and includes ten in-depth interviews with selected Slovenian CEOs, CMOs, and board and supervisory board members. The interviewees were selected based on company characteristics, such as size, industry and willingness to be interviewed. The selection of companies was purposeful in that it we wished to include companies operating in different industries, with different customer typologies, and different marketing strategies. The following table (see Table 6) lists the companies analysed. In addition to company name, the table shows the industry in which the selected companies operate, customers typology, and interviewee position in company. The interviews were conducted between the 1 September 2015 and the 9 October 2015. Each interview lasted approximately 60 minutes.

In order to explore the connection between company marketing strategy and MPM system in Slovenia, and to gain greater insight and better results, an additional case study was developed. Istrabenz Tourism provided us with the opportunity to conduct a more detailed interview. In this interview, they provided more insight into their marketing strategy and MPM system. The interview with their CMO lasted approximately 120 minutes.

Table 6. General Information About Companies Included in the Qualitative Analysis

| | Company | Industry | Typology of customers | Position of the key informant |
|---|---|---|---|---|
| A | Jub | Chemical | B2C | CEO, CMO, Supervisory Board member |
| B | Helios | Chemical | B2C | CMO |
| C | SKB | Financial services | B2C/B2B | CEO |
| D | Mercator | Fast-moving consumer goods | B2C | CEO, Controlling |
| E | Špica | Information Technology and services | B2B | CEO |
| F | Kolektor | Metal and electro | B2B | CMO, Board member |
| G | Cinkarna Celje | Metallurgical-Chemical | B2B | CEO |
| H | Petrol | Oil and Energy | B2C | Board member |
| I | Telekom | Telecommunication | B2C | CMO |
| J | Istrabenz Tourism | Tourism | B2C | CMO |

## 6.2 Research methodology for quantitative analysis

Our quantitative analysis takes the form of hypothesis testing, nine hypotheses being tested. This data was collected using three similar questionnaires, differentiated in terms of respondent (CEO, CMO and Head of Sales). The majority of questions in each are the same, but some questions are respondent specific. Our questionnaires were developed to cover the topic covered in "Navigating Through the Storms," a key text which deals with marketing's theoretical concepts, and to evidence practical demonstrations of concept consideration by companies in Slovenia. The questionnaires were distributed to the CEO's, CMO's and Sales officers of companies operating in Slovenia, and were active between 29 September 2015 and 6 October 2015. The data was gathered using the Slovenian online application 1ka, a system which creates questionnaires, collects data and analyses it. To get results relevant to this thesis' topic of MPM and strategy, only selected survey answers have been taken into account. To create as large a sample as possible, the answers from all three questionnaires were combined. Between 29 September 2015 and 6 October 2015, 259 valid responses were gathered. The questionnaire was sent to more than 500 managers of companies operating in Slovenia, and these responses were used for our hypothesis testing.

Furthermore, the connection between the range of information generated through MPM and company performance, as well as manager evaluation of marketing performance, is explored through quantitative analysis using survey data. In order to link company marketing strategy and corresponding MPMS design, the theoretical framework of Coviello et al. (1997, 1998, 2002) is applied, whereas our work concerning MPMS's conceptual framework is based on different sources (e.g. Clark, 1999, 2006; O'Sullivan & Abela, 2007; Srivastava et al., 1998; Morgan et al., 2002).

The second qualitative analysis involved 29 selected companies operating in Slovenia. The data was gathered between 9 October 2015 and 23 October 2015 using the Slovenian online application 1ka. Additional quantitative analysis was performed pursuant to questionnaire gathered data, mostly from small companies. This microsample analysis also enabled research extension. This allowed us to research marketing strategy and MPM systems based on:

- size (medium/large);
- ownership (state/private);
- market location (domestic/regional/global);
- customer typology (B2B/B2C).

# 7 Qualitative analysis

Connections between marketing strategy and MPM system will be investigated through an exploratory approach, including in-depth case studies of some of the biggest companies in Slovenia. Moreover, the main findings from the in-depth interview with a head of marketing of the company Istrabenz Tourism will be included.

## 7.1. In-depth interviews with specific Slovenian firms

Primary data was gathered using ten in-depth interviews with Slovenian CEOs, CMOs, and board and supervisory board members. The results are shown below.

### 7.1.1. Mercator, Executive Director of Controlling and accounting, B2C, TMC

Mercator’s CRM system is a database used for analytical purposes, using it mostly for measuring customer loyalty, not for decision making, or for customising interaction with individual customers.

Since Agrokor's take over, they have been shifting the focus of its marketing strategy pursuant to a marked increase in competitive pressure. They have had to adapt their business model to focus on low prices and high quality. Reducing costs and attracting customers has increased market share. From this, we can see that business excellence is Mercator’s primary focus.

Mercator has manly standardised interactions with customers through its newsletter and commercials. Long-term relationships were of primacy before the takeover, now the focus is on attracting customers and lowering costs. Through promotional activities, they target specific market segments, e.g. retirees and students, but mainly focus on attracting new, mass market customers throughout newsletters and other promotional materials.

Mercator’s CMO is responsible for facilitating marketing activities. Mercator’s marketing department cooperates closely with its controlling department, e.g. co-chairing a monthly performance review, working on advertising and promotional campaigns, cost tracking, budgetary control, bookkeeping and bigger projects. For Mercator, it is important to achieve synergy with suppliers. They especially co-operate in setting competitive prices. For them, marketing is a cost centre.

Mercatur measures the efficiency of its promotional activity, advertising campaigns, such as the Spuži Kvadratnik campaign, and communication with customers, such as promotional material, including their newsletter, and do so, in the main, using financial metrics, for example, margins, market share, cost per contact, ROS (return on sales), plan realisation and budgetary control. The company’s primary goal is business excellence, therefore financial measures are of most importance, allow, as they do, for the tracking of current performance and possible plan deviation.

Management board requirements, in the main, necessitate performance measurement, as it is used as a means of control. Budgetary control is present in each marketing activity and budgets are set a year in advance. However, every deviation from the budget must be appropriately justified. Mercatur mostly focus on marketing efficiency performance indicators, such as market share by category, gross margin and ROS daily tracking of main key performance indicators (hereafter KPIs).

After Agrokor's takeover, marketing performance has been improving, positive changes being noticed. They said that they do not see a direct link between marketing and corporate performance. They do not have the appropriate metrics for tracking marketing activity impact.

### 7.1.2 Mercator, CEO, B2C, TMC

Mercator’s CRM system is integral to its understanding of the external and internal environments; competition and customers. The change in ownership means competitive advantage change; their goals remain the same, the means of achieving them differ; their strategy has changed somewhat pursuant to diminished supplier competitiveness.

The marketing department cooperates well with sales as they have similar goals. Mercator views performance in terms of accounting standards, consequently they find marketing a cost centre. As a result of their poor understanding of marketing activities' effect on performance, it is not considered an investment, but a variable cost. The problem is not in measuring performance, every company tries to do this, but in how effective this measuring is: appropriate and precise metrics for measuring marketing performance need to be found. To solve this problem, investment in IT needs to take place. They measure, for example, daily incidents, market share, and the effectiveness of accelerating activities. The most important KPIs are relative margin, absolute margin, turnover, number of customers, customer segmentation based on loyalty, and market share by category. KPIs are tracked on a daily and monthly basis and are used to strictly control activities, monthly cost tracking, EBIT (earnings before interest and tax), net profit, and customer loyalty. Most of the measures used are financial output measures for tracking efficiency, such as market share aggregated by category, turnover, and relative margin. They consider marketing as a process, not a function.

They are not satisfied with their current performance, though this a company wide problem, not marketing's alone. They said that change in the environment requires a change in marketing strategy. Marketing contributes to strategic goals, and it helps understand customers and define distinctive advantages. Corporate performance is not solely dependent on marketing, it depends on all functions working together.

### 7.1.3 Telekom Slovenije, CMO, B2C, RMC

Telekom's Department Centre for Users is responsible for its CRM system. Marketing is important for customer acquisition and retention, for understanding customers. They are a customer-focused company. Their main goal is retaining customers large in every way, such as telecommunication, internet and mobile telephony companies, so they are heavily interested in building long-term relationships. Larger customers get customised offers based on their usage habits and loyalty. One part of Telekom's communication activity is aimed at the mass market, where interactions are standardised, e.g. online marketing; the remainder is aimed at large, more important clients who are treated independently, with personal contact and one-to-one interaction.

Telekom's CMO and CEO are responsible for its marketing activities; however, there is cooperation with all departments. Marketing serves as a glue department, it is the key to almost every strategy in the firm. They invest a great deal into marketing activities, especially in terms of brand; they recently consolidated their brand.

The marketing department supports the achievement of main strategic goals; in the long-term, it is considered an investment, in the short-term, a cost. They measure activities related to branding. They monitor all individual campaigns using Air Track, from the beginning of a campaign to post-campaign analysis, in terms of efficiency, effectiveness, net reach, media response, and effect on sales (ROS); focusing more on financial measurement such as margin. It is technically divided in terms of ROS and return on marketing investment (hereafter ROMI). They also measure non-financial metrics such as churn rate, benchmarking, net promoter score (hereafter NPS)/MPS, promoter score, and market share. They also measure also the development of Telekom's brand in relation to brand perception and awareness. They think that financial measures are more important at the corporate level, and, ultimately, non-financial metrics are seen in terms of finacial ones.

Corporate requirements necessitate MPM. All strategies are inextricably linked to marketing strategy and, as a consequence, marketing needs to be efficient and effective to achieve higher-level goals. MPM is also when making price decisions. Marketing is involved in strategic planning, and this is why performance measures are important when setting the yearly plan for marketing; a customer-oriented approach requires investment in specific activities determined by "customer integration performance" and financial indicators.

Budgetary control regarding marketing activities is relatively strict as certain goals need to be achieved, and these are set at the corporate level. The marketing department is considered quite successful. There are a few challenges pursuant to the highly competitive nature of the industry. Competitive pressure forces marketing to be critical and always seek improvement. The marketing depatment's KPIs (key performance indicators) are directly transformed for the company's balance sheet, there is, therefore, quite a strong connection between marketing department investment and overall company performance.

#### 7.1.4 Špica International, CEO, B2B, RMC

Špica considers their CRM system a competitive advantage, using it to measure customer satisfaction and in strategic decision-making. They analyse each customer from every angle. Their goal is to get as much info on each customer as they can, including their opinion on products/services of interest. They focus on retaining customers as it is cheaper than attracting new ones. Even though they do have activities aimed at attracting new customers, their focus is on existing ones. For Špica, building long-term relationships is very important. Their service for individual companies is customised to sui their specific needs, otherwise, they communicate with customers through standardised interaction, such e-mail, campaigns, call centres, personal meetings, and sales channels. Communication is geared toward individual customer segments. New product/services development is communicated to all existing/potential customers using standardised e-mails.

Their CMO is responsible for facilitating marketing activities, cooperating a great deal with non-marketing functions, for example, the marketing department uses Dashboard to share information, such as customer satisfaction surveys, with all departments; they are currently investing in IT (Information technology) in terms of Dashboard and CRM.

They think that marketing is a process, not a function, and that is why there are five stages in their marketing process: email; campaigns; call centre; personal meetings; sales channels. They measure performance at all stages, based on their detailed conceptualisation of activity measurement, with the help of dashboards. They measure the number of emails sent, the number of clicks/opened email, conversion rates, the number of responses, the churn rate, customer satisfaction, net reach, market share, and turnover. Their long-term strategy is a 20% annual growth rate: marketing activities will contribute to achieving this goal, and that is why this is a strategic decision, e.g.financial metrics are mostly used for budgetary control in terms of input vs. output.

MPM helps Špica in its strategic decision making, especially with regard to: campaign success and which campaigns should be used in the future; which marketing channels bring better results; which form of communication receives the highest response rates; and in which fields to invest, e.g. customer complaints/compliments. They do not have strict budgetary control and, for them, agility is more important than efficiency. Having everything under control is not their primary goal. They said that, in the main, metrics are used to evaluate customer integration performance, customer satisfaction, loyalty, churn rate and customer profitability as these are important in terms of the overall success of company strategy.

They said that marketing performance affects business performance and that measuring marketing activity performance helps them in relation to strategic decision making and problem resolution, launching a new campaign, increasing customer satisfaction and, consequently, influencing overall performance.

### 7.1.5 Cinkarna Celje, CEO and CMO, B2B, TRC

Cinkarna Celje has a poorly developed CRM system. They said that all of the important customer information is in the heads of the CEO and CMO. The board has detailed knowledge of each client, such as interest, purchasing characteristics, usual purchasing values, loyalty, needs and potential future requirements. CRM is used for measuring customer satisfaction through surveys and for tracking basic customer information, such as financial viability.

They said attracting new customers is very difficult, yet losing loyal ones is very easy. Their main focus is definitely on retaining their existing customer base; however, tradeshows and events are aimed at attracting new ones. Their CEO is personally responsible for maintaining relationships with six of their most important customers; such personal relationships are important. They communicate through their web page as a great deal of demand is generated here. Most communication with existing customers is facilitated on a personal, one-to-one basis, using emails, phone calls, and business meetings/dinners.

Two people are responsible for their marketing activities: their CMO makes proposals and their CEO approves, despite their clear plans set a year in advance. Marketing is of minor importance to the company and is not a separate department; knowledge and information sharing takes place across the whole organisation.

Currently, they do not have a specific need for marketing activities as their main focus is on production and distribution. Their main competitive advantage is just in time (hereafter JIT) delivery and flexibility. In terms of communication, they use tradeshows/fairs, their internet site, basic advertising, promotional activities and branding. They identify and measure customer satisfaction, margin, churn rate, customer purchasing value, brand recognition and awareness through surveys. Advertising and promotion efficiency and performance are not measured; most campaigns are carried out to please their stakeholders, including the local municipality, and clients such as Rokometni klub Gorenje, Radio Celje, and Štajerski Val, and are not considered of any particular importance by the company itself. They track customer habits and deviations from usual practices are noticed using different metrics; however, the information is not really used in strategic decision making.

They do not see the real connection between marketing strategy and MPMS as the marketing function is not of great important to the company. They have a B2B orientation and that is why their focus is on production and the product mix, especially distribution. Every activity has to be approved by the board, even though plans are set a year in advance, which strictly controls budgets at all levels of the organisation. Increasing market share is most important to them. Marketing in itself is hard to assess as it is considered a minor part of the company. So far, marketing has not affected performance and is considered a cost.

### 7.1.6 Petrol, Management Board, B2C, TMC

Petrol's CRM allows for the management of business relationships using the data and information associated with customers, and this is of great importance to the company. Their primary focus is on retaining customers and that is why they endeavour to build long-time relationship with customers, targetting specific customers.

They communicate through email, call centres, and marketing campaigns. Their CMO has responsibilty for marketing and has built a strong cooperative relationship with the sales department. Their marketing process consists of three stages: marketing capaigns; their loyalty program; and CRM. They measure: the number of sent emails; the number of clicks/opened emails; conversion rates; the number of responses; churn rate; net reach; market share; turnover; and ROI.

For Petrol, both financial and non-financial metrics are of great importance. They measure performance in order to make focused strategic decisions, and these metrics are strictly verified on a monthly basis. Marketing performance at Petrol is successful, but there is still room for improvement. It is difficult to conclude that there is a connection between marketing department and overall performance.

### 7.1.7 Jub, Supervisory Board and CMO, B2B, TRC

At Jub, CRM is used to analyse customer loyalty, customer segmentation A, B and C according to loyalty, and to measure customer satisfaction, brand awareness, and recognition. CRM is important for building long-term relationships with existing customers and for customising offers according to specific need.

Jub has a two-tier marketing strategy: mass market and specific businesses/specialists. They mainly attract new customers through mass market communication, and conceptalise retention in terms of specific businesses/specialists. They maintain long-term relationships with existing customers through personal contact, customised offers, and one-to-one communication. In relation to their mass-market customers, they utilise standardised interaction and are only concerned with maintaining short-term relationships, communicate with these through newsletters, field promotions, brochures, and generic email offers.

The person for their marketing activities is the vice president of their management board. The marketing department cooperates closely with their sales department in terms of knowledge dissemination, such as market research results. However, in terms of their day-to-day business, the marketing department usually doesn’t know what the sales department is doing, and vice versa. The supervisory board sees marketing as a cost. The CMO thinks that marketing is an investment. Investing in marketing activities is important in terms of customer communication, building relationships and attracting new customers.

They use a few marketing techniques, such as: CRM for analysing customers; promotions; advertising campaigns online, on the TV, radio, and billboards, and in newspapers; branding activities; and website effectiveness. They measure non-financial metrics such as: internet presence; number of clicks; number of visits; conversion rates; customer loyalty and satisfaction; brand awareness and recognition; churn rate; net reach of advertisements; promotion and its effectiveness; and email response. However, they focusing mostly on financial measures such as sales growth, ROS, market share, and budget targets.

Financial performance is measured, in the main, pursuant to requirements set by the supervisory and management boards; however, non-financial metrics are used for better understanding customer need, and for customising offers and interaction with customers.

Marketing makes use of many qualitative metrics which are important in terms of customer attraction and retention. Budgetary control is very strict and deviations from plans are most uncommon. They state that their market presence and success would not have been achieved had they not had their marketing department; however, it is hard to track a direct connection between marketing and overall performance.

### 7.1.8 SKB, Deputy CEO, B2C/B2B, TRC

CRM in SKB is not yet well established. A future goal is to invest in a more comprehensive technology, to support the nature of business. They said that they want to have a CRM that will give them all the information about each customer in one place, so they would prepare even more customized and tailor made offers based on lifestyle and history of each client. They are solving the current problem with CRM through personal meetings with clients. It means that personal bankers prepare in advance and learn about individual clients.

They focus on attracting and retaining customers; however, as Slovenia is a small country, it is getting increasingly difficult to attract new customers. They said that it is easier to change a spouse than a bank; they attract new business by increasing the number of products per customer. Maintaining relationships with customers is the key to success, e.g. they invite clients to sponsorship events.

Their focus is primarily in relation to sponsorship, mainly in terms of culture, sport and charity, as this is, in their opinion, important for nurturing relationships and building reputation. They have customised, personal contact with each client, for example, their larger business clients are invited to said sponsorship events. Long-term relationships are necessary, as knowing as much about customers as possible is of great importance in terms of the nature of their business. They publish very few newsletters, and email contact and other advertising aimed at the mass market is minimal. The majority of communication is carried out either on a personal, one-to-one basis, or through campaigns aimed at specific client segments, such as retirees and students. With regard to attracting new customers, their preferred method is one-to-one communication.

Their CMO is responsible for facilitating marketing activities; however, strategy and activities need to be confirmed by the CEO and deputy CEO. Marketing closely cooperates with all of SKB's other departments, and disseminate all of the customer information they collect throughout the company. It is felt that corporate culture should be aligned in all companies, and SKB believes this. SKB is customer-focused, so all of its departments cooperate to satisfy them.

SKB invests substantially in CRM, sponsorship, organising business events, its website, Facebook, networking events, and advertising campaigns, though rarely on television and in newspapers. Non-financial metrics are important with regard to corporate strategy, especially complaints. SKB measures customer satisfaction in terms of number of complaints and secret shopping, brand awareness and brand reputation in terms of sponsorship, segmentation in terms of loyalty, web site visits and products per client; CLV is also measured. However, financial metrics, such as profit, cash flow, budgetary control and other aggregated output measures, are more important pursuant to mother company requirements in relation to profit, revenue and expenses; whereas, non-financial metrics are used to better provide excellent client service, reputation and employee satisfaction. Both metric types are closely interconnected, without non-financial metric measurement, there is no financial performance. Performance is measured for the purpose of improving business and financial results, e.g. complaints allow focus on underperformance, and are used to set budgets and prepare strategy.

Marketing strategy is incorporated with corporate strategy, should have the same goals, and be accorded important department status within the company, and this is why MPMS is set accordingly and measurements are taken of everything that impact on improved overall performance. Marketing is planned a year in advance and there is strict company-wide activity control.

Corporate goals are oriented toward financial performance; therefore, activities need to be aligned with plans and not deviate from the budget. Moreover, employee behavioural control is stringent, this being most important for banks as business service providers; customer integration performance is key in relation to service improvement and customer satisfaction. Internal control measures function cooperation; it tracks employees contribution to final sales and how new customers are attracted, as these are important metrics to their internal executives and the mother company; financial results are the results that are visible.

Marketing is important to the whole business, but there is always room for improvement. They definitely see a direct link between marketing and overall company's performance, there being no financial result without marketing.

#### 7.1.9 Kolektor, CMO and Management Board, B2B, TMC

Kolektor realise that their CRM is poorly developed, their sales pipeline needs to be transparent in order to efficiently allocate resources, and could be used more effectively. It should be used for forecasting and to support their primary strategy of growth, recognise value proposition and build on it. They are focused on attracting and retaining customers, but new customer attraction is intermittant; even so, customers approach Kolektor indepenently when new solutions/products are developed.

Their existing customers are important to them as they wish to better foster their long-term relationships. Kolektor's products are complex and intended to last for longer periods of time. Their customers need assurance that all of their products are products of excellence and reliable in every way, and that is why communication is at a personal level; they have one-to-one interaction with individual clients. A further goal is local reputation maintenance, necessitating mass market communication, otherwise, all communication is individual and personal. Their CMO is responsible for marketing activities. To them, organisational culture is most important, however, marketing is seen as a support function of secondary importance; therefore, cooperation is not clearly visible. Sales information is also disseminated to the marketing department, which supports communication. Supplier cooperation is crucial for business success, optimal delivery time and whole chain best components.

Three of Kolektor's key goals are operational excellence, global footprint management and niche growth, and these are supported by its organisational culture and the good relationships they foster with their value chain partners. They consider marketing an expense centre, as, to them, it is an irrelevant, unnecessary cost. Marketing at Kolektor is conceptualised in terms of its most basic, emotional components, and is communicated to the community and clients through PR, basic CRM, tradeshows, and events. Kolektor does not consider any of its other activities as marketing activities. They are measuring non-financial activity, such as customer satisfaction, in terms of number of complaints and returns, on-time deliveries and loyalty.

Marketing performance is not measured in detail, pursuant to it being considered superficial and of low importance. Advertising campaign performance is only measured in terms of metrics when the potential number of clients is very high numbers. Kolektor don't see a connection between strategy and MPMS, mostly, resultant of their specific business model. Their budget is set annually, and marketing, with its few activities, only merits a very low budget. Kolektor see marketing as an unnecessary cost, a mere support function of no real value.

#### 7.1.10 Helios, Board member – CMO, B2B, TRC

Helios uses its CRM system to stay in touch with their existing customer; they are more focused on existing customer retention, acquiring new customers by buying other companies; being too small to target the mass market, they focus more on niche markets .

Their CMO is responsible for marketing activities. Marketing is seen in terms of supporting sales; there is, therefore, strong cooperation with the sales department. They see marketing as an expense centre. They consider few non-financial metrics, e.g., branding, promotion activities, campaigns, internet advertising, market share, retention rates, turnover, net income, number of clicks on ads, and number of emails opened., as, to them, financial metrics are more important. The biggest reason for measuring performance is to assist in strategic decision-making. MPMS is taken into account when developing their annual strategy and budgetary control is very strict.

Their CMO believes that their marketing department works very well and supports the sales department well. At Helios, marketing performance is hard to measure and this impacts on overall performance; however, they do see a connection between marketing and sales department performance.

## 7.2 Main results and findings from in-depth interviews

Based on in-depth interview analysis characteristics (See Table 7, Table 8, and Table 9 for characteristic of main findings), two companies were classified as TM companies, one in the fast-moving consumer goods market and one in the  energy; two as RM companies, one in telecommunications and one in information and communication technologies (hereafter ICT); and others as TRM companies in financial services, metallurgical-chemical production, metals, electricity generation, and chemicals. No distinct pattern has been recognised regarding the connection between industry and marketing strategy; each strategy type includes companies from different industries.

The main difference between companies pursuing TM strategies and those pursuing RM strategies in Slovenia is in their use of MPM information in strategic decision-making. According to our in-depth interviews, the dominance of financial output metrics over qualitative, non-financial metrics is clearly visible in TM companies, where managers stress the importance of financial performance and, thus, budgetary control.

TM company interviewees stressed that corporate goals are especially conceptualised in terms of increasing market share and improving profitability, and that improvement in terms of financial metrics, such as gross margin, turnover and ROS, is consequently important. Furthermore, B and H’s management board explained that financial metrics were only partially used for specific marketing activities, and were of most importance in terms of control and internal financial performance tracking.

Table 7. Main Findings of In-depth Interviews

| Industry Strategy | Marketing strategy characteristics | MPMS |
|---|---|---|
| **FMCG TMC** | CRM poorly developed, used only for basic customer analysis; not crucial in strategic decision making. | Most frequently used metrics: market share, turnover, ROI, ROS, budgetary control, margins, advertising efficiency (input-output comparison). |
| **Energy TMC** | Pursuant to the nature of this business sector, where the main goal is increased market share, the main objective is attracting customers, examplars being Mercator and Petrol's mass market strategies. | Financial metrics are more important as primary goals are usually related to business excellence and improving financial performance. |
| | Interaction with customers are standardised and aimed at the mass market; however, L-T relationships are also maintained through the utilisation of different loyalty schemes. | Financial performance is used in strategic decision-making and for control purposes. Marketing performance is measured pursuant to corporate requirements. |
| | Communication is aimed at the mass market. Many different channels are used, such as standardised interaction through the use of email, call centres, newsletters and marketing campaigns. | Customers not being the focus of their marketing strategy, the focus being growth, profit, sales instead, their MPMS especially focus on financial metrics in relation to marketing efficiency performance. |
| | Cooperation with other departments is mostly driven by the common goals of increased market share, profitability and sales. | Budgetary control is strict and easily facilitated using monthly verification. |
| | Marketing is considered as an expense centre. | |
| **Telecomm-unication RMC** | Customer retention is most important: existing customers contribute the most to profit. | Financial and non-financial metrics are important; however, in comparison to TMCs, non-financial metrics are better developed and significantly influence financial performance; non-financial metrics are integrated with the financial. |
| **Chemical RMC** | Emphasis on building long term (hereafter L-T) relationships with individual customers to tailoring offers to individual client need. | Marketing strategy closely aligned with corporate strategy and customer-focused; therefore, marketing is crucial to corporate performance. |
| | The majority of communication is facilitated on a personal, one-to-one, level in order to maintain L-T relationships. | MPMS reflects company marketing strategy, KPIs and strategy being developed concurrently. |
| | Business activity is focused on existing customers and, consequently, all departments need to cooperate in order to increase customer profitability and satisfy their needs. Both sales and company profitability depend on the extent to which the company knows its customers. | Knowing the customer is most important to business success; therefore, customer integration performance is of priority. Nonetheless, marketing efficiency performances is also used. |
| | Due to the nature of business, which prioritises customers, continuous investment in marketing activities is crucial. | |

Table 8. Marketing Strategy Characteristics

| TM | | RM | |
|---|---|---|---|
| CRM (system development and use) | CRM is poorly developed and used only for basic customer analysis; it is not crucial in strategic decision-making and does not include sophisticated customer data. | CRM (system development and use) | CRM is very important and highly developed; It is considered as a competitive advantage and is used for customizing offers for individual customers – E, CEO: "We are analysing each customer from all angles - 360°". |
| **Attracting** vs. **Retaining** customers | The main focus is on attracting and profitably satisfying customers; primary corporate goals are increasing market share, sales and profits; therefore, retaining customers is mostly important in terms of maintaining reputation. | **Attracting** vs. **Retaining** customers | Retaining customers is extremely important; existing customers contribute the most to profit and are the company's heart. |
| **Long term** relationships vs. **standardised interaction** | L-T relationships are maintained through basic loyalty programmes; interactions with customers is mostly standardised and does not include many personalised offers. | **Long term** relationships vs. **standardised interaction** | Emphasis is on building and maintaining L-T relationships with individual customers and tailoring offers to individual customer need. |
| **Mass market marketing communication** vs. **individual segment/customer marketing communication** | Communication is impersonal and aimed at the mass market; many different channels are used, e.g. e-mails, call centres, newsletters and marketing campaigns. | **Mass market marketing communication** vs. **individual segment/customer marketing communication** | Communication is at a personal, one-to-one level; it is aimed at individual customers/segments and personalised, sometimes being facilitated at senior management level. |
| Cooperation with non-marketing functions, e.g. knowledge sharing | Cooperation with other departments is mostly driven by common goals, such as increased market share, profitability and sales; basic information is disseminated across department, e.g. monthly sales data and major campaigns information. | Cooperation with non-marketing functions, e.g. knowledge sharing | All departments need to cooperate in order to increase customer profitability satisfaction, e.g. I's CMO states: "Marketing serves as a glue department; it is key in almost every strategic decision made by our firm." |
| Marketing as **expense centre** vs. Marketing as **investment centre** | Marketing considered an expense centre, in some of these companies, an unnecessary cost; D's CEO: "Because of a poor understanding of marketing's impact on performance, it is not considered an investment, but a cost." | Marketing seen as an **expense centre** vs. an **investment centre** | Marketing seen as an investment centre; continuous investment in marketing activities is important for achieving corporate goals and maintaining good L-T relationships with customers. |

Table 9. MPMS Adopted by TM and RM Companies

| TM | | RM | |
|---|---|---|---|
| Most frequently used metrics | The most frequently used metrics are financial performance and output measurements, such as turnover, margin, ROI and ROS, budgetary compliance, advertising efficiency, using input-output comparisons, and market share. | Most frequently used metrics | The most frequently used metrics are multiple non-financial and financial measurements, such as customer satisfaction, loyalty, CLV, retention rates, churn rates, ROS, turnover and sales growth. |
| Relative importance of **financial** and **non-financial** metrics | Financial metrics are most important pursuant to corporate goals, especially when related to financial performance. | Relative importance of **financial** and **non-financial** metrics | Financial and non-financial metrics are important; however, reliance on non-financial input/output measurement is very high and of strategic importance in terms of achieving corporate goals; J's CMO: "If you can't measure it, you can't manage it!" |
| Reason for measuring performance | MPM systems are used for control purposes; marketing performance is measured pursuant to corporate requirements; D's CEO: "The problem is not in measuring performance; the problem is in how effective this measuring is!" | Reason for measuring performance | Marketing strategy, and its success, is customer-focused and closely related to corporate strategy; it is, therefore, of crucial importance in terms of corporate performance. |
| Budgetary control stringency | Budgetary control is strict, including monthly, even daily verification; every deviation from the planned budget needs to be appropriately justified. | Budgetary control stringency | Budgetary control is more flexible: E's CEO: "Agility is more important than efficiency"; J's CMO: "We purposefully increased our marketing budget during the crisis." |
| Performances classification | MPM systems show a clear predisposition toward marketing efficiency performance, e.g. measuring turnover, market share, ROI and ROS. | Performances classification | Business is oriented toward strong customer interactions. |
| Marketing and company performance correlation | The metrics used only partially depend on marketing units; there is, therefore, no clear correlation between marketing and company's financial performance; H's Board member: "It is hard to see and even harder to measure how marketing' contributes to performance!" | Marketing and company performance correlation | Marketing performance strongly affects business performance; both sales and profitability depend on the extent companies understand their customers; A's CMO: "You cannot be present on the market and become successful if you do not have marketing." |

In contrast, in-depth interviews revealed that RM companies in Slovenia place high importance on customer interaction and, therefore, show place greater reliance on customer integration performance indicators, including non-financial input/output metrics. RM company managers highlighted the importance of customer understanding and tracking their behaviour; consequently, measurement in terms of CLV, satisfaction, loyalty and customer profitability is key to company success. Nonetheless, this research shows that RM companies in Slovenia still regard aggregate financial metrics highly and find them important in terms of cross department and company comparison, and, as a result, a valid basis for resource allocation decisions. Furthermore, the majority of RM company CMOs stress that marketing performance is closely related to company financial performance and highlights the strategic importance of marketing in achieving higher-level corporate goals. These findings imply that marketing strategy and MPM systems are much more mutually supportive in RM companies than in TM companies.

Companies identified as TRM companies illustrate the successful coexistence of transactional and relationship characteristics. Companies A, B, F and G, for example, all emphasise that marketing serves, in the main, as a sales support function, being responsible only for the most basic emotional part needing to be communicated to the public through PR and social events. On the other hand, company C state that marketing is most important to them; their focus on large clients meaning their MPM system has been developed accordingly.

## 7.3 Case study: In-depth interview with the Istrabenz Tourism

This section provides an overview of the main findings from our in-depth interview with Istrabenz Tourism's marketing head. We conducted the in-depth interview to better understand MPMS and strategy in the hotel industry. We additionally investigated why particular metrics and KPI are used, recognised best practice and explored performance measurement and strategy impact. To further our understanding of the concept and broaden our perspective as to how these metrics are applied in this market, we first describe Slovenia's tourism and hotel sector and Istrabenz Tourism, owners of Lifeclass, including their resort in Portorož.

### 7.3.1 Discription: Istrabenz Tourism Plc

Istrabenz Tourism owns the LifeClass Hotels & Spa brand; it currently (2016) offers six hotels falling under the LifeClass brand umbrella in Portorož and manages the Terme San Martin resort.

LifeClass is a Slovenian hotel chain located in the heart of Portorož. The hotel and spa complex is distinguished by its high-quality hotel accommodation, catering, most comprehensive thermal, health and wellness services in Europe, and top quality congress tourism. The hotel resort LifeClass consists of excellent five-star hotels, the Grand Hotel

Portorož and Mind Hotel of Slovenia and the Riviera, and the Apollo, Neptune and Mirna with four. LifeClass resort's guests enjoy restaurants, bars, coffee shops, an exclusive beach restaurant, a modern conference centre, eand xcellent thermal, health and wellness services for beauty, health and well being.

The following are the LifeClass values:

- Guest satisfaction,
- Coexistence with the local environment,
- Natural environment car,
- Staff professionalism,
- Customer satisfaction and employee personal growth.

LifeClass Hotels' business philosophy is encapsulated in their slogan: "A world of healthy pleasure". Their medium-term, client-focused development goal is to slow down the aging process. LifeClass resort meets the needs of modern guests who place great emphasis on health and well-being with a range of products, including the local, natural healing elements of thermal mineral water, salt pan mud and the sea itself, and Mediterranean style food internationally recognised for its therapeutic effects.
LifeClass' mission and vision:

- Mission: They want to change people's lives for the better and believe in balanced active lives.
- Vision: LifeClass as a global vitality provider.

LifeClass Hotels create opportunities for unforgettable experiences; during each stay, it focuses on information exchange in order to optimise guest activity engagement for enjoyment maximisation, and positively impact on guest health and well-being.

Istrabenz Tourism is aware that the hotel and tourism industry depends on its people, its employees. That is why its organisational culture is based on the conviction that every activity and individual is an integrally important piece in a mosaic realising its vision. Therefore, they strive to highlight each profession's importance and to achieve the individual employee potential.

### 7.3.2 History and Investment

LifeClass was established during the 1970s. A major conceptual shift occurred in 2004 when Istrabenz Tourism merged Hoteli Morje Plc and Hoteli Palace Plc, putting these two slightly different products into their LifeClass brand, launching them on the market as having common visions and strategy, even though this hadn't been, or has ever been fully realised pursuant to a lack of investment. After a long investment free period, the last major renovation of hotel capacity taking place 15 years ago, Istrabenz Tourism developed the first stage of a larger investment cycle, completely renovating the Hotel Apollo and the Spa Centre in 2014,were their first two steps toward strategic guideline and objective realisation .

The second stage of this investment cycle commenced in November 2015. They renovated and upgraded Hotel Slovenia to five-star hotel status, this work including the renovation and salinisation of the spa centre and swimming pool complex carried out in November 2016. Hotel Slovenia's five-star status achievement coming at a cost of €9 million in investment. This represents a unique opportunity for the LifeClass brand as it now, for the first time, can be seen as a uniquely individual product that amply satisfys the needs of modern wellness-oriented guests with purchasing power.

### 7.3.3 Marketing

In 2014, Istrabenz Tourism rebranded LifeClass to reposition it; its new vision being helthier living; using the tried and tested, archetypal approach for doing so. The project being facilitated in cooperation with Valicon. As a part of the rebranding, they also changed their corporate image and communication channels, their website, room standards, FB Fan Page and its intranet; their new website www.lifeclass.net winning second place in WEBSI's annual competition.

The LifeClass brand is doubly positioned in the market: for the summer season with their holiday spa thermal resort, and for winter with their Terme by the sea.

LifeClass' target group have significant similarity in terms of their desire to improve their quality of life, the prerequisite for this being health. They care about their health and well-being, and enjoy active lifestyles; they seek new experience and are open to other cultures; they have healthy attitudes towards nature and the environment.

The following are the future marketing plans:

- The development of a modern loyalty scheme based on a new hotel-information system.
- The development of digital marketing:
- Producing own video content and advertising;
  - Optimising SEM (search engine marketing) campaigns;
  - Marketing through social networks for the B2C segment;
  - Social development, B2B sales.
- Continuation of regular product PR activities in Italy, Slovenia, Austria and Germany.

- Participation in establishing a local convention bureau.
- Updating marketing activities, installing and utilising the new CRM sales automation system Delphi (Salesforce.com).
- Co-branding activities:
  - Continuation of cooperation in the field of co-branding activities with business partners Toyota, Samsung, Intesa Sanpaolo, KD, Kleine Zeitung and San Benedetto;
  - Establishment of cooperation with Toyota and additional, new types of cooperation.
- Comprehensive advertising of Portorož as wellness holiday destination in Italy, Austria, Germany and Slovenia.
- New market development: Kuwait, Saudi Arabia, Kazakhstan and Azerbaijan.

## 7.4 Findings from Istrabenz Tourism case study

Below, we find a summary of the discussion highlights from the in-depth interview with Istrabenz Tourism's Head of Marketing with regard to its strategy and MPMS.

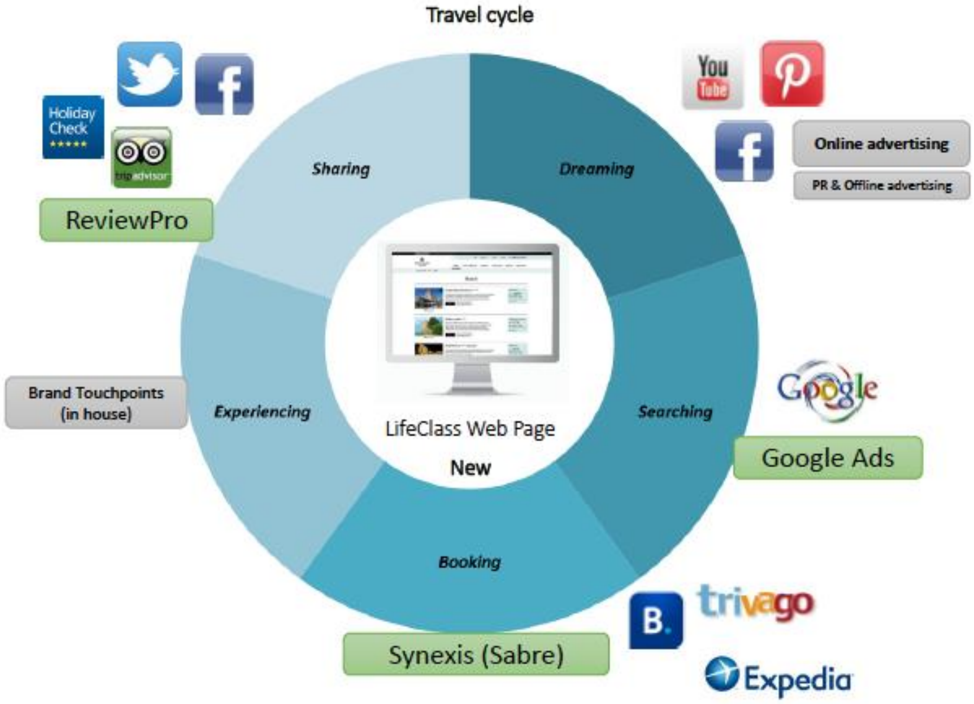
Their overall marketing strategy is multifaceted; its main characteristic is that it is segmented in terms of business to business (B2B) and business to customer (B2C) criterion, though their main focus is on B2C. They are final-customer, not travel agency, oriented, focusing on comprehensive, individual guest offers and concomitant service. In order to support the aforementioned strategy, they have a very good database with appropriate ICT support, meaning they have a very good CRM system, with which they capture customer data. To summarise their strategy: Istrabenz Tourism mostly focuses on B2C, developing long-term relationships with individual clients.

Recently, they also began focusing on their digital activities. The head of marketing explained that attention paid at digital events fosters better customer understanding, primarily, in terms of why they choose their product, citing the Travel Cycle (see Figure 5).

The Travel Cycle applies not only to customer lifetimes, but also to visualising the consumer decision-making process in relation to when and where to travel. The cycle begins with daydreaming about a destination, that's then followed by exploration and confirmation of destination choice, and finally by experience purchase.

Certain activities need to occur at each stage, so marketing decides on how to, to whom and through which channels they should communicate with potential customer; based on this, Istrabenz Tourism defines what and how they will measure certain matters.

*Figure 5.* The Travel Cycle




A key characteristic of its marketing communication is its segmentation according to language spoken. The German-speaking market is one of its key markets; guests from Germany and Austria representing 40% of its total guests. The Italian market accounts for 30% of the total, the Slovenian 15%. The company tries to satisfy each segment through personalised communication. The company carried out a research and found that different language groups prefer different activities; German speakers preferring a natural, Ayurvedic experience, in Italians speakers wellness products and pampering for two.

Istrabenz Tourism focuses its communication through different channels. Its website Istrabenz Tourism is the foundation for all its communication; the aim of such communication being to draw people to the site and make reservations. When travel cycle daydreaming, people are primarily visual, focusing on social media, press releases (hereafter PR) and advertising. During the next stage, they mainly focus digitally via Google ads, and many purchases are made using metasearch engines, such as booking.com. The next stage in the Travel Cycle is experiencing, starting on a web page, continuing at the hotel, at reception, whilst engaged in wellness activity, whilst being animated, they continuously tell their story. The Head of Marketing says that from the moment guests arrive at the hotel, everything done for them is done to increase sales, on massages, bicycle rental, and the like.

They told us of their well-developed review system Review Pro, with which they control web content, comment and reputation. They take note of and respond to all complaints. Currently, they measure with the use of a marketing cloud, allowing control of digital campaigns with a view to ensure their success.

They measure a great deal of marketing activities believing that assessment brings success; in the marketing department, for example, they create social media campaigns and monitor on a daily basis, observation allowing for goal achievement in terms of recognition and conversion, and specific goal measurement metrics.

Istrabenz Tourism monitors its activities on a daily basis; first thing every morning, they evaluate website, social network and newsletter statistics; minor analysis takes place once a week; specific analysis regarding conversion takes place once a amonth. The aim of such detailed monitoring is to develop marketing activities which realise service purchase. Through continuous metric measurement, effective and timely communication method change is enabled when needed to achieve better results; activity choice is strategy driven.

Performance and activity measurement is different in each department. Below, find a list of MPMSs at Istrabenz Tourism (see Table 10).

Table 10. Istrabenz Tourism KPI's

| Unit | Channel | KPI | Referenc (in %)e |
|---|---|---|---|
| Marketing | Web page | Number of visit per period (month) | |
| | | Number of purchases per period (month) | |
| | | Value purchases per period (month) | |
| | | Bounce rate per period (month) | 35.00 |
| | Facebook | “Likes” per period (month) | 3.00 |
| | | Page engagement rate | 0.52 |
| | | Post engagement rate | 0.34 |
| | E-News | Number of opened messages | 20.00 |
| | | Number of clicks per opened message | 4.00 |
| | | Number of purchase per newsletter | |
| | | Value of purchases per newsletter | |
| | Printed Media | Number of calls per add | 10.00 |
| | Google Ads | Number of new visit per period (month) | |
| | | Conversion per period (month) | |
| | | E-shop conversion | 0.50 |
| | | Conversion value per period (month) | |
| | Facebook Ads | Ad engagement rate | 0.34 |
| | | Number of conversions per period (month) | |
| | | Conversion value per period (month) | |
| | | Bounce rate per period (month) | 50.00 |
| | | Click through rate | 0.26 |

Their channels are divided into six groups: web; Facebook; E-news; the printed media; Google Ads; and Facebook Ads. Their web site is at the centre of their travel cycle; in terms of social media, they mainly focus on Facebook.

Each channel has specific KPIs: if we consider their web site, they measure the number of visits per period (month), the number of purchases per period (month), the value of purchases per period (month), and the bounce rate per period (month); in relation to Facebook, they measure "likes" per period (month), and page engagement and post engagement rates; looking at e-news, they measure the number of opened messages and clicks per opened message, the number of purchases per newsletter and the value of purchases per newsletter; regarding the printed media, they monitor the number of calls per add, tracking in the printed media being measured by the number of add viewers, e.g. Google Ads calculates the number of new visit per period (month), conversion per period (month), e-shop conversion and conversion value per period (month).

Facebook Ads facilitate analysis in terms of ad engagement rates, number of conversions per period (month), conversion value per period (month), bounce rate per period (month), and click through rate. They use an annual, tourist industry reference as their base for comparing results.

Their activities are conceptualised in terms of revenue generating, such as advertising, digital advertising, newsletters and social media, and non-revenue generating, such as preparation of printed material and preparing handouts. Non-revenue generating activity effectiveness cannot be quantified. Their goal is to increase revenue generating activity and decrease non-revenue generating activity. Revenue generating activities are, once again, divided into paid and earned activities. Earned activities are concerned with the free use of social media, not cost increasing PR releases.

The most important KPI for The Head of Marketing considers conversion, the number of customers who completing transactions divided by the total number of website visitors, their key KPI, LTV secondary, and this is why they developed their client-specific CRM system.

The company collects customer feedback via social media; their most important reviews appearing on Booking and Trip Adviser. They have developed an internal review program, and this collects data from websites, gathering positive and negative client response, comparing their feedback with their competitors on a weekly basis. See Table 11, Summary of Istrabenz Tourism's in-depth interviews.

Table 11. Summary of Istrabenz Tourism's In-depth Interview

| | |
|---|---|
| **Strategy** | RMC |
| **Industry** | Tourism |
| **Marketing Strategy Characteristics** | CRM is important and developed; it is considered a competitive advantage and is used to customise individual customer offers; it is also used in strategic decision-making. |
| **MPMS** | Most frequently used metrics: customer satisfaction, loyalty, CLV, retention rates, and churn rates directly influencing financial performance; consequently, financial metrics are also used, such as ROS, market share, turnover and sales growth. |
| **Manager's satisfaction** | Marketing performance affects business performance, since marketing department's KPIs are aligned with corporate KPIs. |

# 8 Quantitative analysis

Quantitative analysis, our next stage, was performed to support qualitative and case study analysis findings. To ensure thorough analysis, two quantitative analyses were performed on two different data samples.

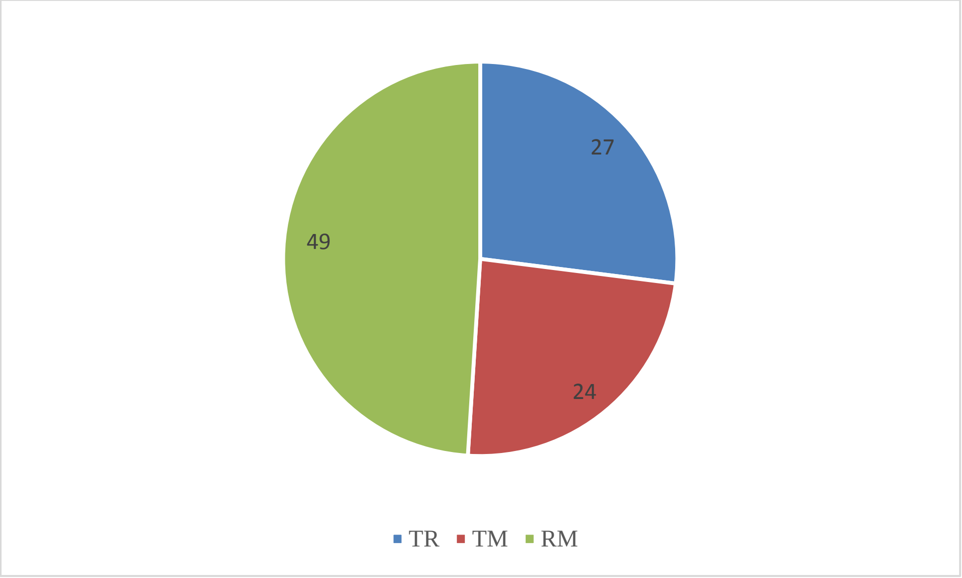
## 8.1 Hypotheses

Our quantitative analysis takes the form of hypothesis testing. The data for our qualitative analysis was gathered with the use of three questionnaires, differentiated in terms of respondent: chief executive managers; chief marketing managers; and sales officers). The majority of their questions were the same, but some were respondent specific. Our questionnaires were developed to cover the topic covered in "Navigating Through the Storms," a key text which deals with marketing's theoretical concepts, and to evidence practical demonstrations of concept consideration by companies in Slovenia. The questionnaires were distributed to the CEO's, CMO's and Sales officers of companies operating in Slovenia, and were active between 29 September 2015 and 6 October 2015. Seeking relevance, only selected survey answers were taken into account, the ones relevant to our thesis topic of MPM and strategy. To gather as large a sample as possible, the answers from our three questionnaires were combined. In the period between 29$^{th}$ of September, 2015, and 6$^{th}$ of October, 2015, 259 valid responses were gathered. These responses were used for hypothesis testing.

### 8.1.1 Data description

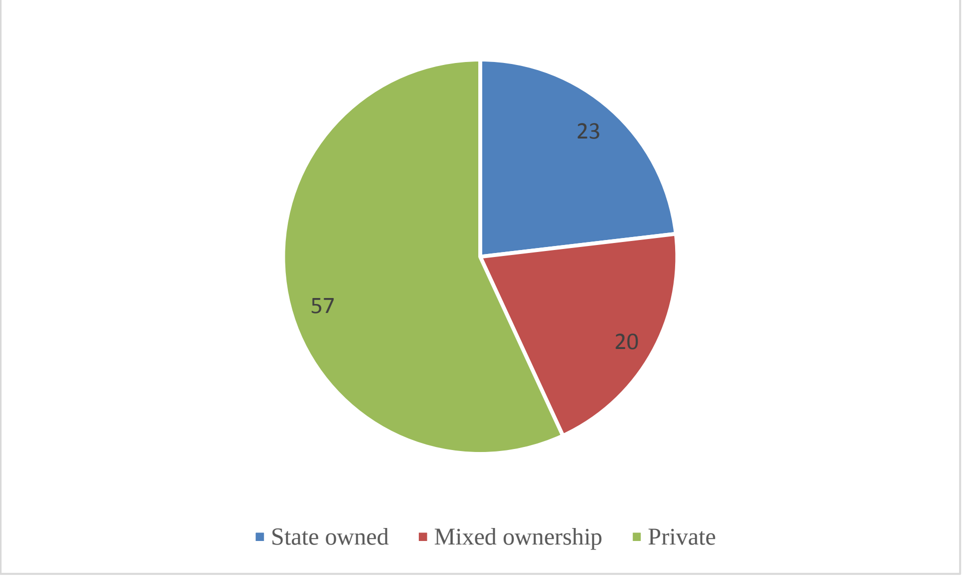
First stage of our quantitative analysis involved classifying companies completing questionnaires as TM, RM or TR. Based on our data, 49% of the responding companies were identified as RMC, 27% as TRC, and 24% as TMC (see Figure 6).

*Figure 6.* Share of Companies According to Marketing Strategy (in %)




Moreover, 57% were identified as private, 20% as under mixed private-state ownership, and 23% as state-owned (see the Figure 7).

*Figure 7.* Share of Companies According to Ownership (in %)




Testing our nine hypotheses statistically formed our next stage, and this was conducted in line with existing literature. Hypothesis 1 was tested in relation to whether RM companies use more non-financial metrics than TM companies. In terms of Hypotheses 2 and 3, two controlled variables, company size and ownership, were taken into account in order to see how these two variables affected the MPM systems adopted by companies in Slovenia.

Hypotheses 4 and 5 tested whether the broader range of information gathered through MPM contributes to company performance relative to competitors and whether it affects CEO evaluation of marketing performance. The goal of Hypothesis 6 was to see whether closer sales and marketing department cooperation resulted in greater use of MPM. Hypothesis 7 tested whether companies whose budgets had been increasing used MPM more than those whose budgets remained the same or decreased. Hypothesis 8 and 9 tested whether marketing and sales departments cooperation was closer in TM companies than in RM companies and whether companies pursuing RM strategies' had greater positive performance evaluation when compared to their competitors.

- H1: RM companies use more non-financial performance metrics than TM companies.

- H2: Private companies use more non-financial performance metrics than state-owned companies.

- H3: Large companies use a larger number of marketing performance metrics than small companies.

- H4: The broader range of information generated through MPM positively influences company performance relative to competitors.

- H5: The broader range of information generated through MPM positively influences CEO marketing performance evaluation.

- H6: If marketing and sales departments cooperate closely together, companies make greater use of their MPM systems.

- H7: If marketing budgets had been increasing in preceding years, years, companies make greater use of their MPM systems.

- H8: Marketing and sales department cooperation is closer under TMC than RMC.

- H9: RM strategies have a greater positive influence on company performance in relation to their non-practicing competitors

**RM companies use more non-financial performance metrics than TM companies.**
Based on results from our two-sample t-test with equal variances, this hypothesis can be rejected. RM companies in Slovenia do not, apparently, make greater use of non-financial metrics than TM companies, which is a surprising given the indications from the in-depth interviews. One possible explanation for such a result could be the relatively low response rate to questions relating to performance measures (n=79). (see Page 2, Appendix)

**Private companies use more non-financial performance metrics than state-owned companies.** Based on results from our independent two-sample t-tests with equal variances, there is no significant difference in marketing performance metric use with regard to company ownership (n=66); therefore, this hypothesis can be rejected, meaning that Slovenian companies under private ownership do not make greater use of non-financial metrics than state-owned companies. (see Page 3, Appendix)

**Large companies use a larger number of marketing performance metrics than small companies.** Based on results from our independent two-sample t-test with equal variances, this hypothesis is supported with a level of significance of P=0.074 (n=106); consequently, it can be concluded company size affects the number of performance metrics used: large companies in Slovenia use a larger number of performance metrics than small and medium-sized companies. (see Page 4, Appendix)

**The broader range of information generated through MPM positively influences companie's performances relative competitors.** Based on bivariate correlation coefficient results, Hypothesis 4 is not supported. Given the sample data (114), the broader range of marketing metrics utilised by Slovenian companies does not positively influence company performance more in relation to their competitors. Nonetheless, the analysis shows certain aspects of company performance positively correlate to the number of performance metrics used; the results are presented in the table below (see Page 5, Appendix):

- Sales growth positively and closely correlates with profitability (0.474), achieving/maintaining market share (0.401) and attracting new customers (0.217).
- Profitability positively and closely correlates with sales growth (0,474), achieving customer loyalty (0.251), achieving/maintaining market share (0.345) and timely reaction to market opportunities and threats (0.389).
- Achieving customer loyalty positively and closely correlates with profitability (0.251), achieving/maintaining market share (0.513), attracting new customers (0.302) and timely reaction to market opportunities and threats (0.311).
- Achieving/maintaining market share positively and closely correlates with sales growth (0.401), profitability (0.345), achieving customer loyalty (0.513), attracting new customers (0.298) and timely reaction to market opportunities and threats (0.281).
- Attracting new customers positively and closely correlates with sales growth (0.217), achieving customer loyalty (0.302), achieving/maintaining market share (0.298) and timely reaction to market opportunities and threats (0.411).
- Timely reaction to market opportunities and threats positively and closely correlates with profitability (0.389), achieving customer loyalty (0.311), achieving/maintaining market share (0.281), and attracting new customers (0.411).

**The broader range of information generated through MPM positively influences CEO marketing performance evaluation.** Based on results from our independent two-sample t-test with equal variances (n=112), this hypothesis can be accepted at a level of significance of P=0.005; it can, therefore, be concluded that in the case of companies in Slovenia, the broader range of information gathered through MPM positively influences CEO marketing performance evaluation. (see Page 8, Appendix)

**If marketing and sales departments cooperate closely together, companies make greater use of their MPM systems.** Based on results from our independent t-test with equal variances, there is no significant difference in the number of marketing performance metrics used with regard to the level of marketing and sales department cooperation; therefore, this hypothesis can be rejected, meaning that Slovenian marketing and sales departments working closely together make no more use of MPM systems than those not doing so. (see Page 9, Appendix,)

**If marketing budgets had been increasing in preceding years, companies made greater use of their MPM systems.** Based on results from our independent t-test two-sample equal variances not assumed, there is no significant difference in MPM system use between companies which increased their marketing budget and those which didn't; therefore, this hypothesis can be rejected, meaning that Slovenian companies whose marketing budgets increased did not make relatively more use of MPM systems than those whose didn't. (see Page 10, Appendix,)

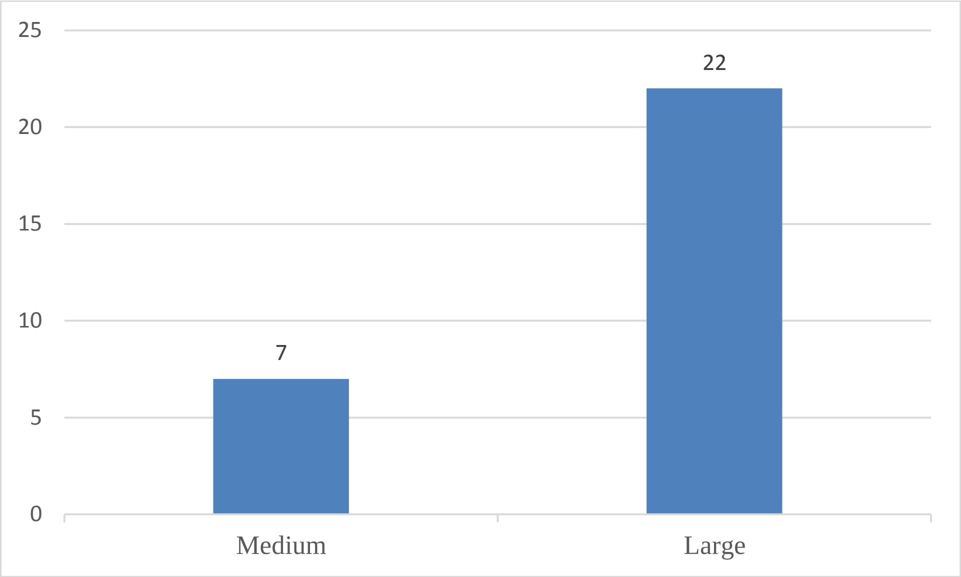
**Marketing and sales department cooperation is closer under TMC than RMC.** Based on results from our independent two-sample t-test with equal variances (n=122), this hypothesis can be accepted at a level of significance of P=0.027; therefore, it can be concluded that in companies in Slovenia, marketing and sales department using TMC cooperate closer than using RMC. (see Page 11, Appendix)

**RM strategies have a greater positive influence on company performance in relation to their non-practicing competitors.** Based on results from our independent two-sample t-test equal variances not assumed, there is no significant difference between companies which pursue RM strategies in terms of better performance evaluation in relation to their non-RM competitors; therefore, this hypothesis can be rejected, meaning that Slovenian companies pursuing RM strategies do not receive better performance evaluation in relation to their non-RM competitors. (see Page 12, Appendix,)

## 8.2 Qualitative analysis of 29 selected companies

In addition to our initial quantitative analysis of the data gathered from questionnaire results, a further quantitative analysis took place, as the data gained was mainly from small companies. The new data was gathered from the medium-sized and large companies which were part of our qualitative analysis.

*Figure 8.* Descriptive Analysis of Selected Companies Based on Size




Therefore, some findings from our qualitative analysis differ from some in our quantitative analysis pursuant to only medium-sized and large companies being included in our in qualitative analysis. In addition, our review of the literature suggests that large companies should form the basis of further research as they are more appropriate for such analysis.

To better support our qualitative analysis, additional quantitative analysis of 29 selected companies operating in Slovenia took place. Most of the companies were medium-sized or large (see Figure 8).

This analysis of 29 selected companies enabled us to better research marketing performance metrics and strategy based on:

- Ownership (private/state)
- Market (domestic/regional/global)
- Customer typology (B2B/B2C)
- Size (medium-sized/large)

**8.2.1 Ownership (private/state)**

From the results, it can be seen that state-owned companies are strongly focused on metrics such as market share, market growth and customer satisfaction (see Figure 9). These results imply that state-owned companies highly value metric that are directly connected to overall performance.

Slovenian state-owned enterprises are usually strongly dependent on the domestic market, so better control of these metrics is crucial in terms of performance. If state-owned enterprises don't focus on these metrics, they will probably lose competitiveness, which would, in the worst-case scenario, lead to the demise of company.

Furthermore, the analysis shows that state-owned companies use MPM more than private companies. State-owned companies also use more financial and non-financial metrics than private companies do (see Figure 10). The number of metrics used proves that state-owned companies are dependent on the domestic market; therefore, they use MPM as much as is possible.

The literature suggests that private companies pursuing RM strategies usually use MPM more than companies pursuing TM strategies; this is also the case in state-owned companies. Figure 11 shows that state-owned companies focus on developing long-term relationships with existing customers. These characteristics are in line with customer-relationship oriented marketing strategies.

*Figure 9.* MPM Frequency Measurement

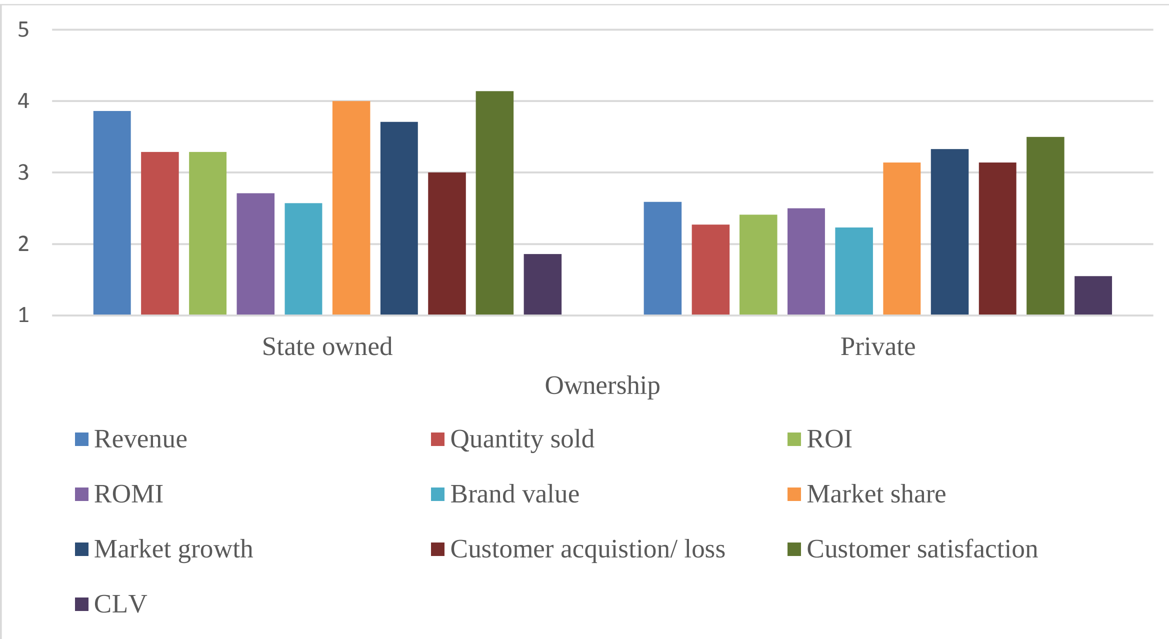


*Figure 10.* Number of Measures: Total, Financial and Non-financial

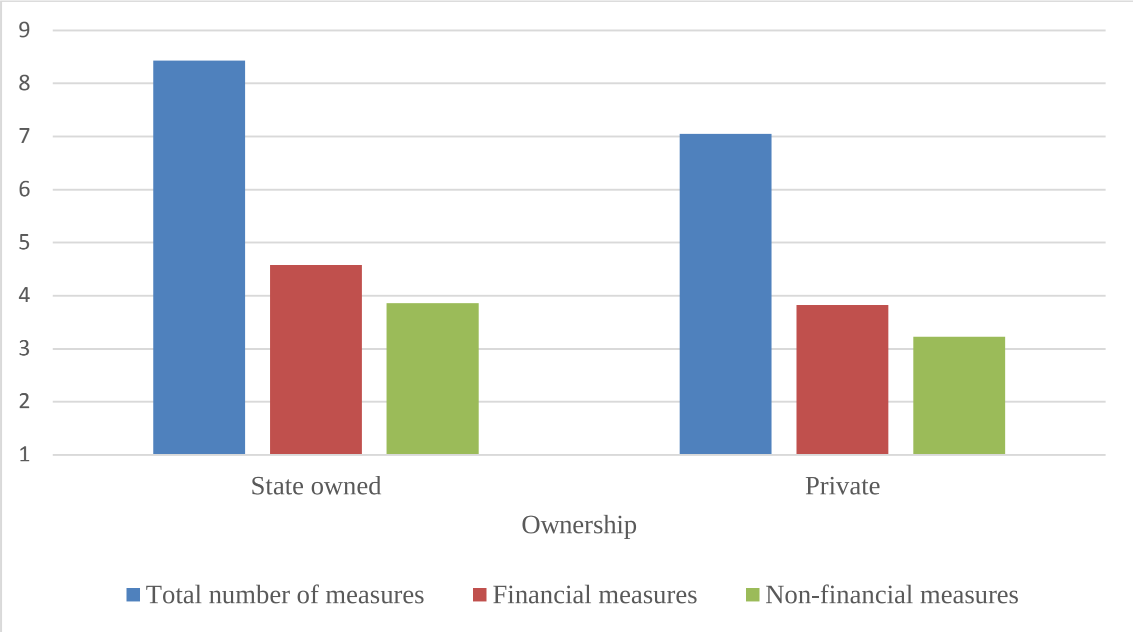
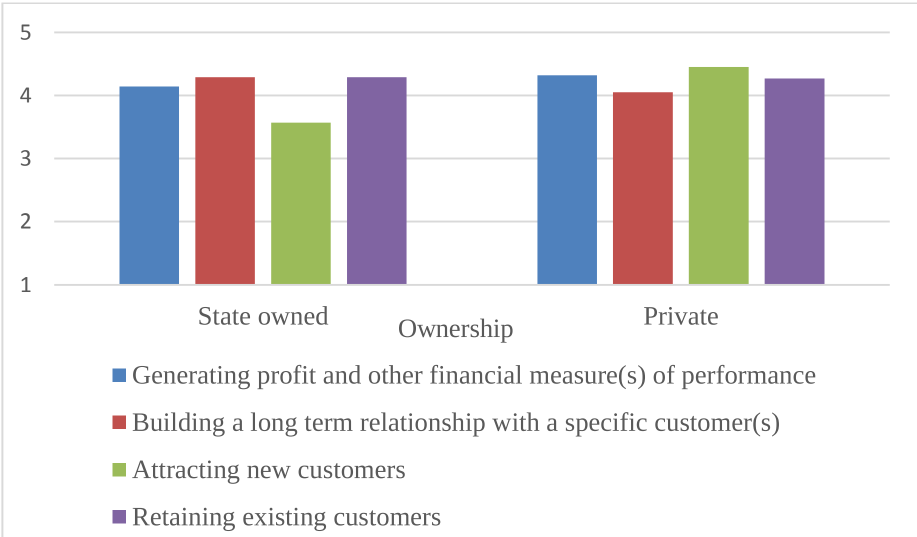
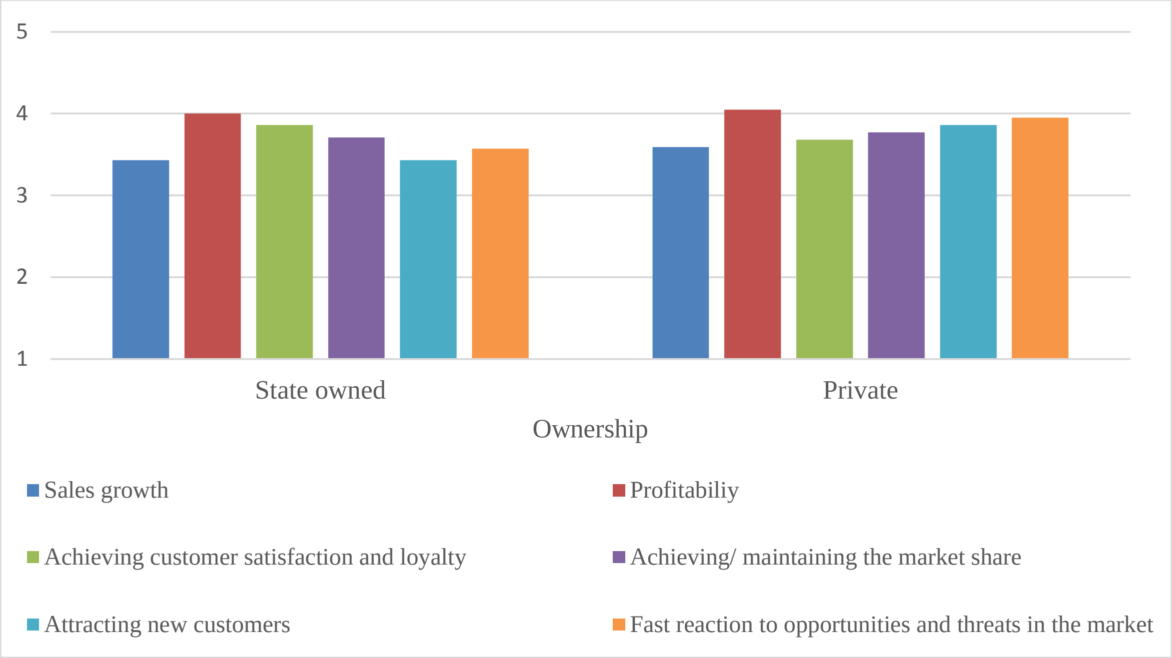



*Figure 11.* Focus on Marketing Strategy Based on Ownership



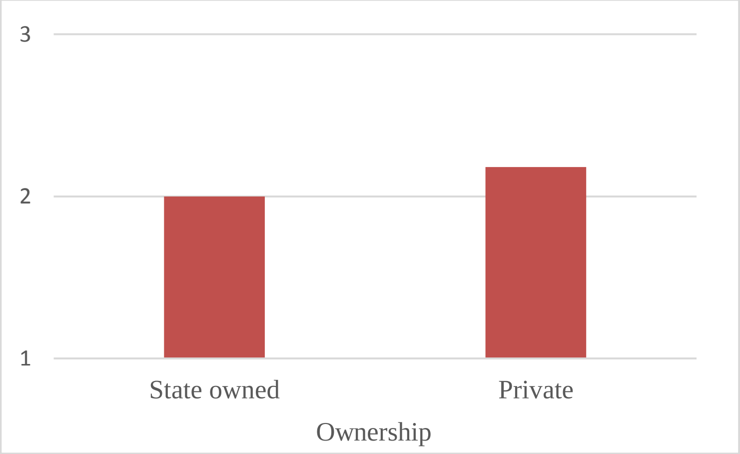

Business survival importance and the reason for the greater use of MPM systems in Slovenian state-owned enterprises can be seen using competition analysis (see Figure 12). Due to the size of the Slovenian market, state-owned companies face pressure from their private competitors. The metric which illustrates the importance of achieving customer satisfaction and loyalty to maintain market share is the only one evaluated better for state-owned companies than for private ones. Competition performance comparison shows that private companies are more flexible/adaptable, and focused on sales growth and attracting new customers. This suggests that private companies want to gain market share by attracting new customers.

*Figure 12*. Performance Comparison with Competition



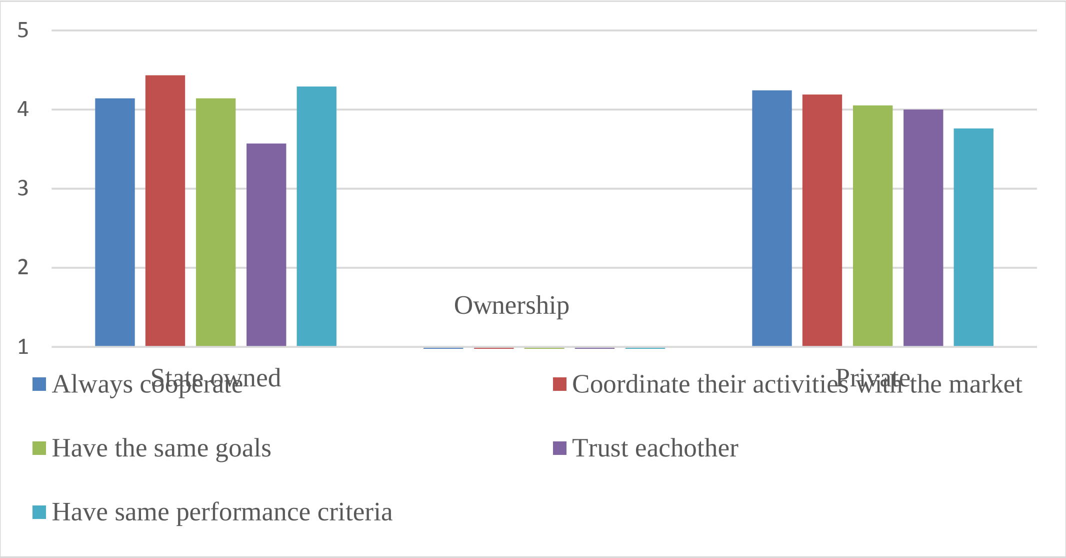

The analysis suggests that state-owned companies have stricter marketing performance control systems, which can be explained by the fact marketing budgets in state-owned companies are more regulated, not allowing for any additional, or unexpected expenditure. Private companies' budgets had been increasing in the three years preceding our research, which suggest a higher degree of marketing budget flexibility. In the same period, state-owned companies' budgets remained constant (Figure 13).

*Figure 13*. Marketing Budget Trends Over the Last Three Years



Ownership analysis shows that sales and marketing departments were more interdependent in state-owned companies than in private ones (see Figure 14). As mentioned above, Slovenia's state-owned companies are dependent on their domestic market; therefore, they are more strictly controlled and make greater use of MPM. This results in a higher degree of cooperation between sales and marketing departments.

*Figure 14.* Sales and Marketing Department Cooperation




### 8.2.2 Market (domestic/regional/global)

Our initial findings from market type analysis suggest that companies mostly operating in domestic markets especially focus on retaining existing customers and building long-term relationship with them, and this is characteristic of companies following relationship-marketing strategies (see Figure 15).

Additionally, companies operating mainly in domestic markets tend to use more non-financial metrics than regionally and global companies. Next, domestic companies also use MPM more than the other two (see Figure 16). This suggests that domestic companies collect more information about their customers, which is, once again, characteristic of customer-oriented companies. However, financial metrics remaining a very important part of marketing performance systems in all of the analysed companies.

The reason why companies only operating domestically make greater use of MPM and customer-oriented is similar to that of those that are state-owned. Domestic companies are dependent on domestic economic performance; therefore, they try to indirectly diminish external risk through extensive performance measurement, in this case marketing performance. If domestic companies did not perform such extensive measurement, there would be a weakening in marketing's effect, sales and competitiveness. Moreover, analysis of domestic companies shows that in terms of performance relative to competitors (see Figure 17), these performed best of the three types analysed. This might be a result of more comprehensive MPMS, also reflected  in the number of metrics used. Furthermore, CEO marketing performance evaluation in domestic companies was evaluated best of the three types analysed, the other two mostly operating in regional and global markets (see Figure 18). All of this may be a consequence of the more sophisticated MPMS used by the analysed companies, additional marketing performance information gathered and better performance when compared to competitors.

Companies which are regional have completely different results when compared to domestic companies. Regional companies are mostly concerned with financial metrics and make the the least use of MPM when compared to domestically and global companies. Furthermore, marketing strategies eveidenced do not indicate any specific inclination to either transactional or relationship conceptualisations.

State-owned company CEO marketing performance evaluation was around average and lowest in comparison to domestically and regional company CEOs, which is in line with the literature and our quantitative analysis, which suggest that the fewer marketing performance metrics utilised, the lower CEO marketing performance evaluation will be. This can also be seen using performance comparison with competitors, where managers of regional companies evaluated performance worst of the analysed companies, but, nonetheless, still around average (see Figure 17).

*Figure 15.* Marketing Strategy Focus Based on Market Type

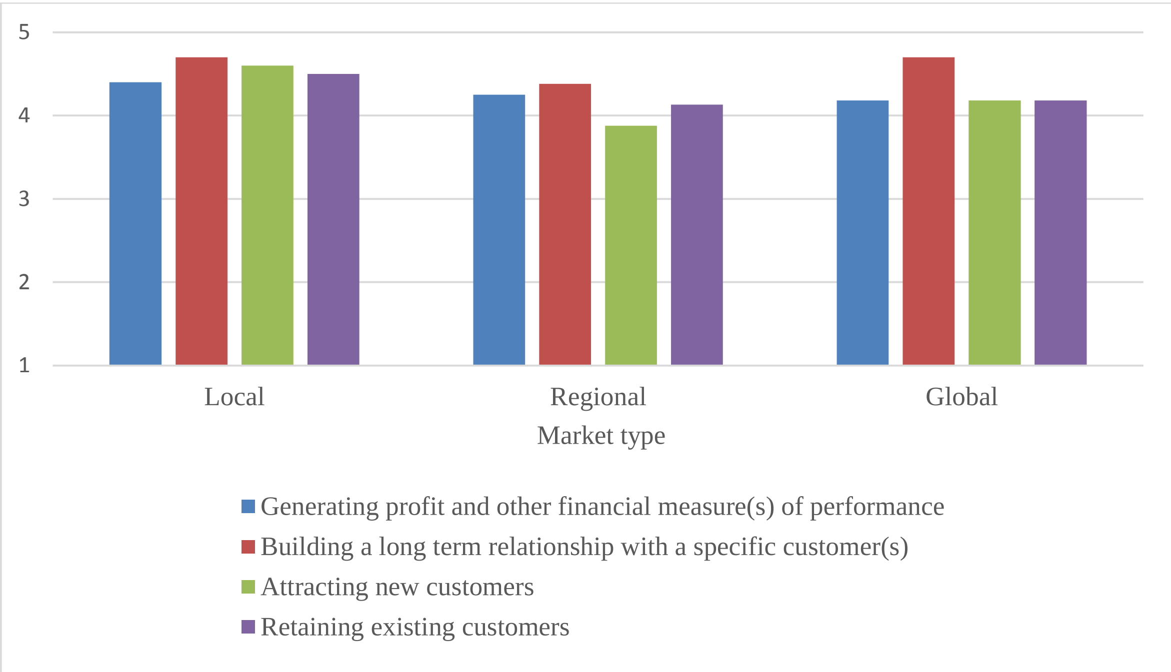


*Figure 16*. Number of Measures: Total, Financial and Non-financial

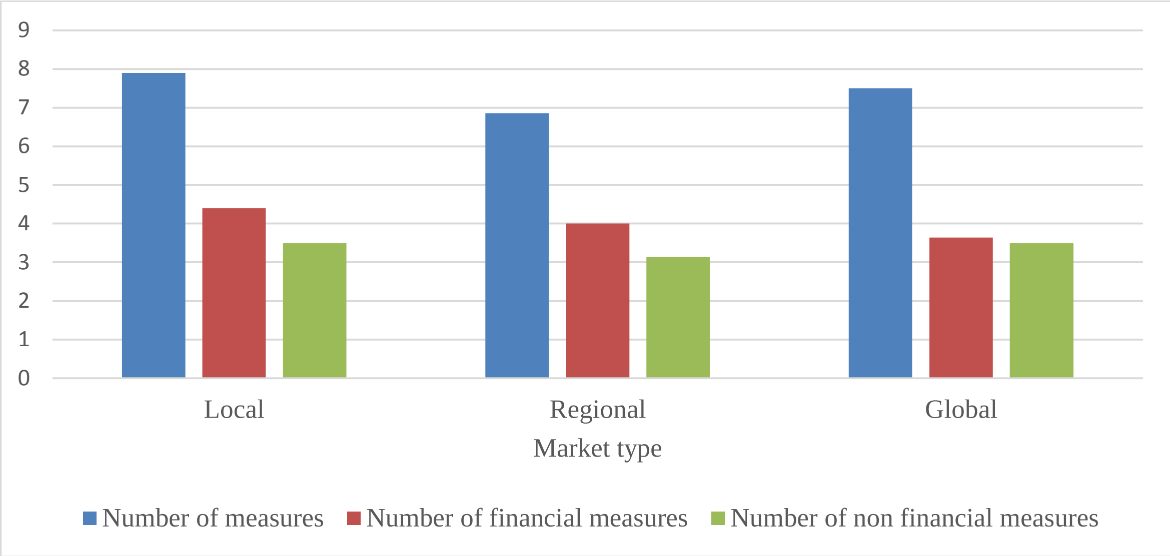



*Figure 17*. Competition Performance Comparison Based on Market Type

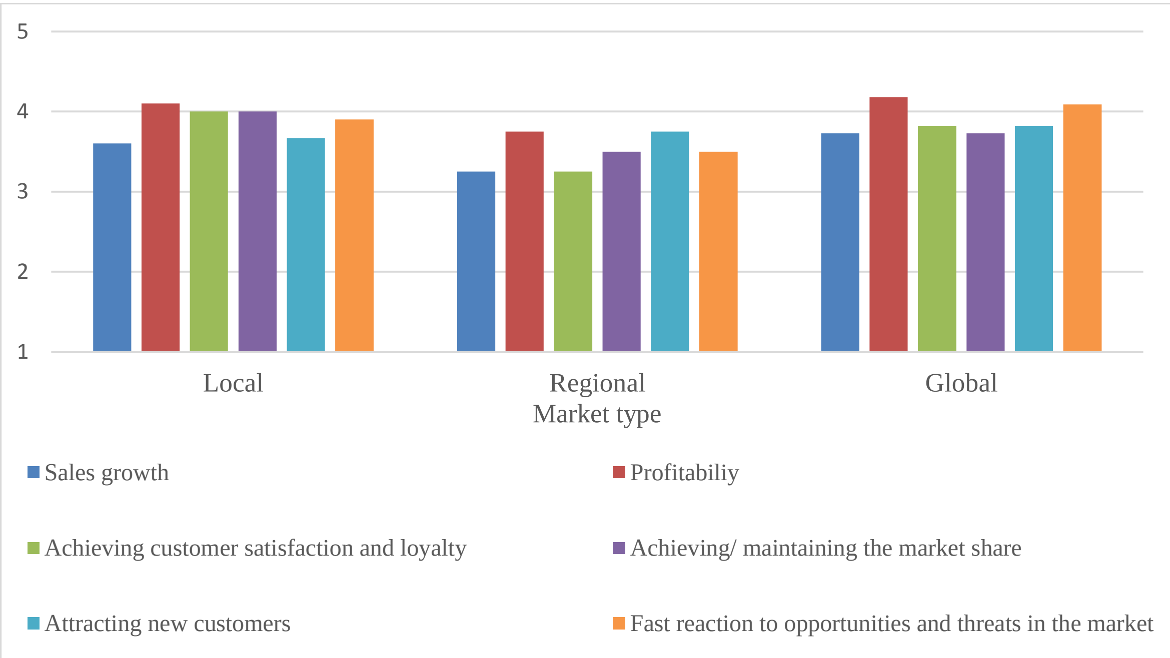



Figure 19 suggests that sales and marketing departments in regional companies cooperate together more than in the other two types, sales and marketing departments coordinating their activities and using the same performance criteria; this suggests that marketing departments are more than just support functions for sales departments. Nonetheless, these results do not influence the other results; therefore, it may be concluded that better coordination between sales and marketing does not positively influence the marketing performance of regional companies.

*Figure 18*. Manager Satisfaction with Marketing Performance

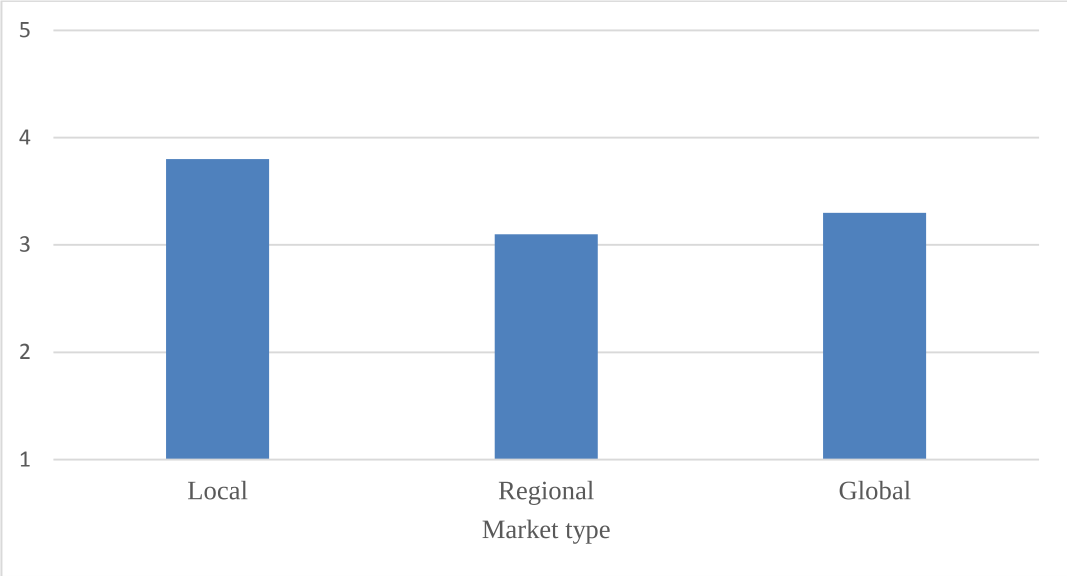
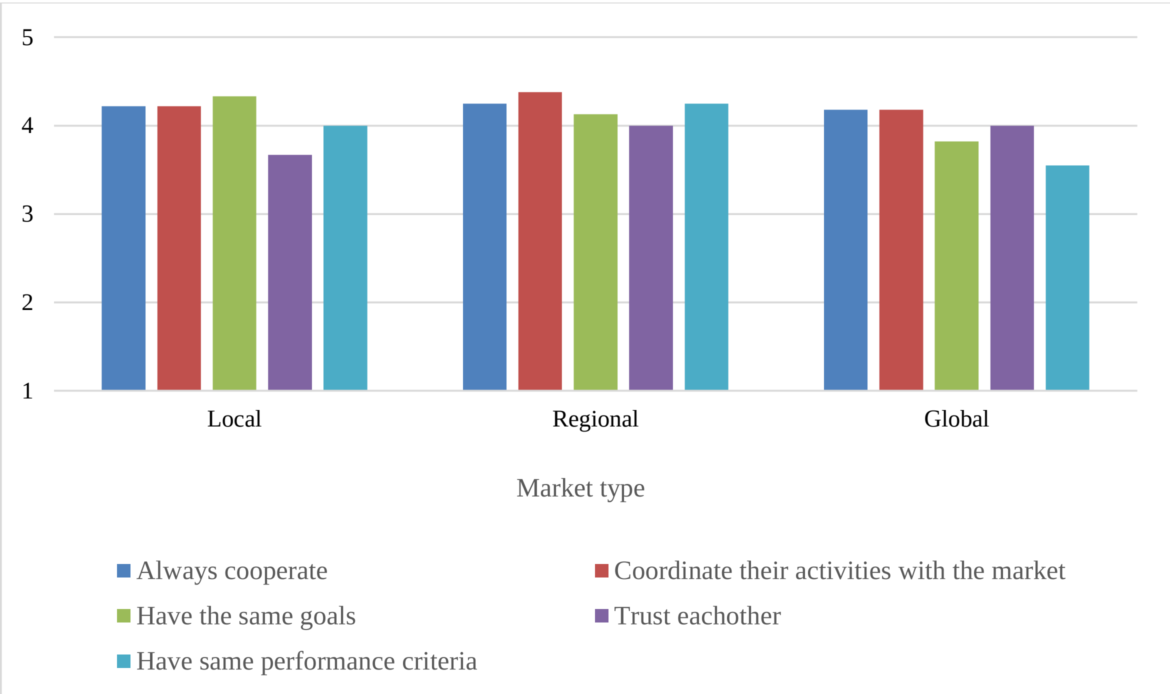



*Figure 19*. Sales and Marketing Department Cooperation




From the analysis, it can be seen that global companies are highly responsive to market opportunities and threats and better evaluate profitability performance than their competitors. Global companies do not use MPM as intensely as domestic ones; however, they use more non-financial metrics in comparison to domestically and regional companies. The higher usage of non-financial metrics can be linked to their strong desire to build long-term relationships with their customers; this is characteristic of companies utilising customer/RM-oriented strategies.

Amongst the analysed companies, global companies have the second most sophisticated MPMS, which can be seen in the amount of information gathered using MPM and CEO marketing performance evaluation.

Cooperation between sales and marketing departments is quite good. They always cooperate with each other and coordinate market activities. However, they do not use the same performance criteria; this might be the reason why sales and marketing are two separate departments.

### 8.2.3 Customer typology (B2B/B2C)

Analysis of companies based on customer typology shows that B2B companies, such as Cinkarna Celje, a typical Slovenian B2B company, strive to build long-term relationships with specific customers (see Figure 20). In addition, the literature suggest that B2B companies lean towards building long-term relationships with clients as acquiring new clients is much more expensive than retaining their existing ones. From this perspective, B2B companies are more customer-oriented, which is characteristic of RM companies.

However, it can be seen in the measurement frequency graph that B2B companies do not often measure marketing performance and lag behind in comparison to B2C companies, which measure marketing performance more frequently (see Figure 22). This is also evidenced in the quantity of information gathered using marketing performance measures (see Figure 22), where it can be seen that B2B companies consider fewer metrics than B2C companies.

These results support the qualitative analysis, which shows that the majority of the B2B companies analysed can be classified as transactional/relationship with customer-oriented strategies, and that marketing departments are seen as lacking in influence and merely supporting functions of sales departments. Slovenian B2B managers don’t fully understand marketing’s importance (see Figure 24).

This is in line with CEO marketing performance evaluation, where B2B CEOs evaluate marketing performance as average and lower than the CEOs of B2C companies. Moreover, this can also be seen in competition comparison, where we see that managers evaluated company performance against competitors as above average and even better than B2C managers did, suggesting that marketing departments are treated as part of company sales departments (see Figure 21).

In contrast, B2C companies utilise more balanced MPMS (see Figure 22). B2C companies' focus on strategy is much more balanced than B2B company focus and it can be seen as more customer-focused. B2C companies use much more marketing metrics, which is a consequence of more frequent measurement; they use much more non-financial metrics when compared to B2B companies. Marketing and sales departments work closely together, always cooperate, coordinate activities and have common goals, unlike B2B companies (see Figure 24).

*Figure 20.* Marketing Strategy Focus Based on Customer Typology

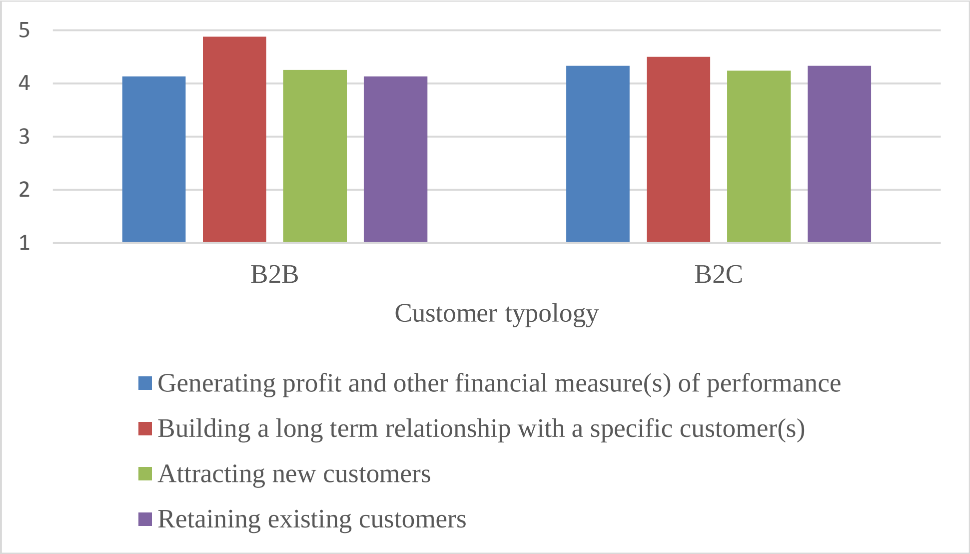



*Figure 21.* Competition Performance Comparison Based on Customer Typology

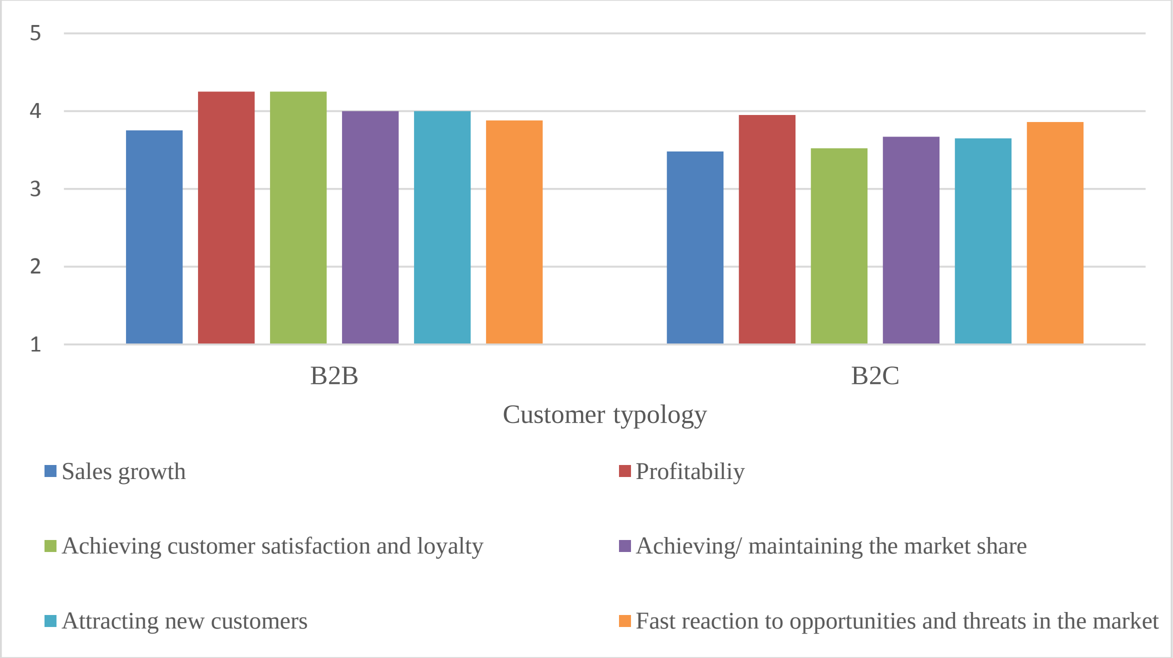


*Figure 22*. MPM Measurement Frequency

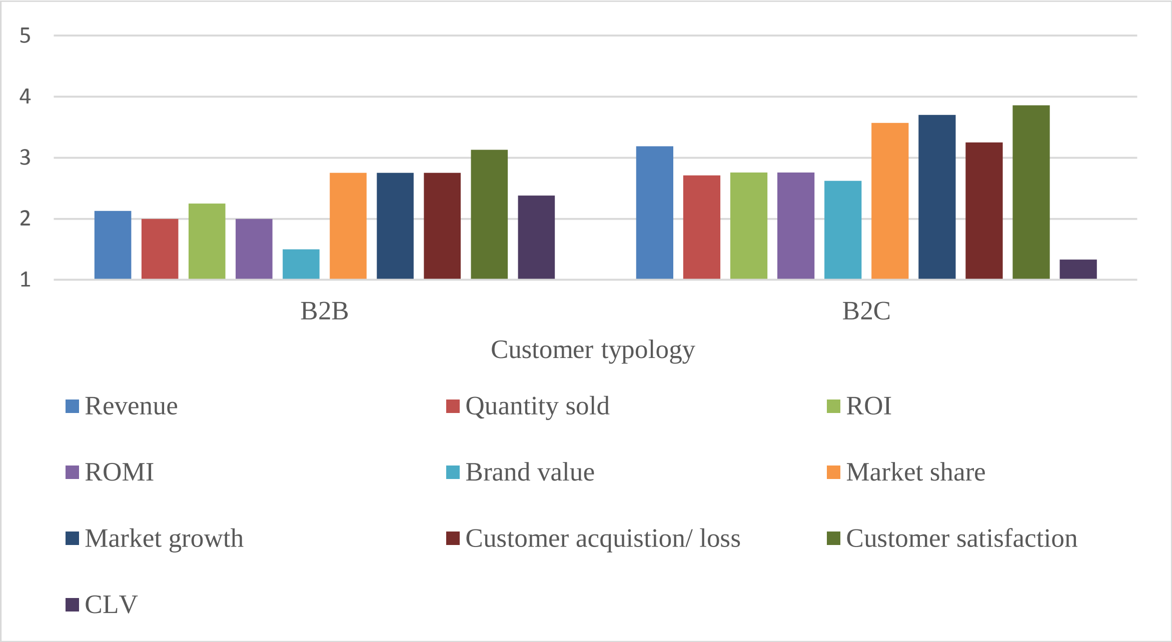



*Figure 23*. Number of Metrics: Total, Financial and Non-financial

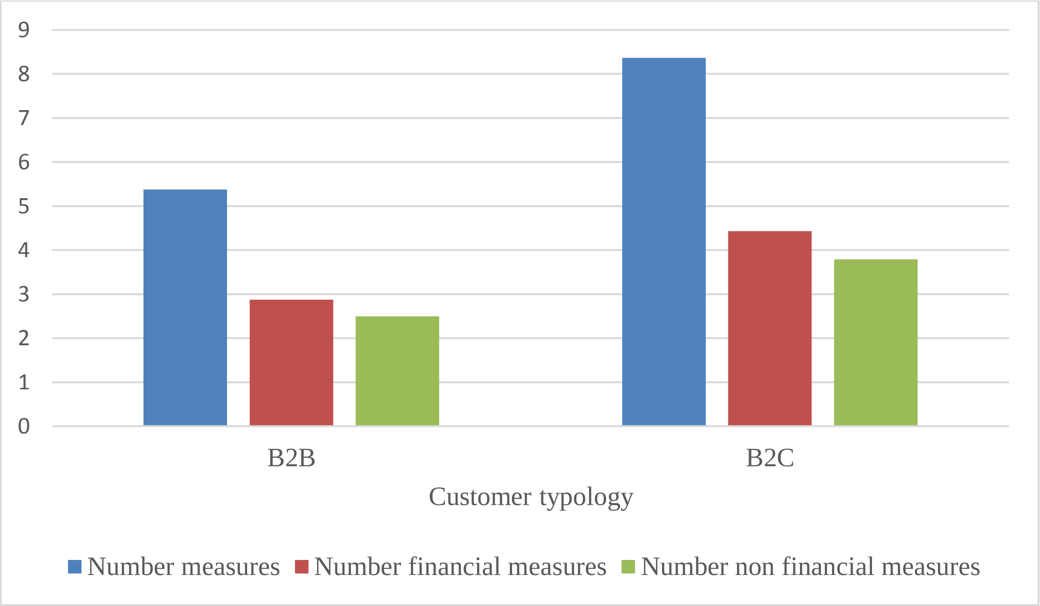
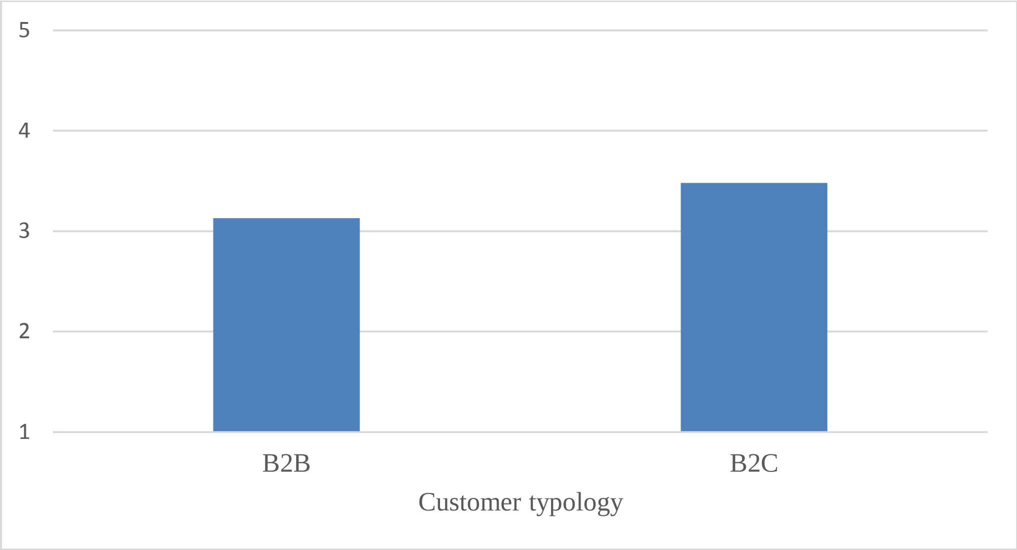


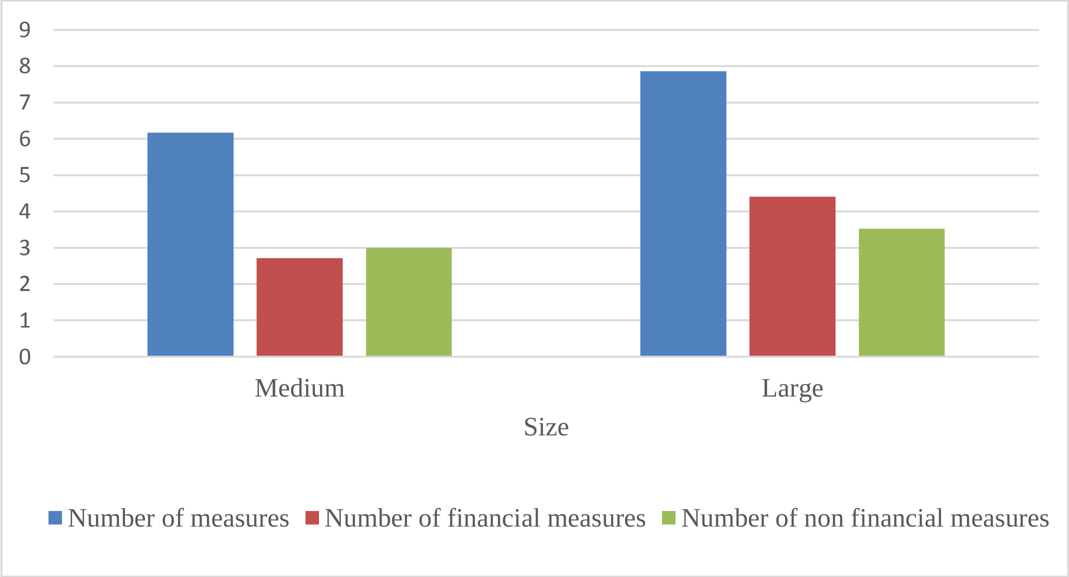
*Figure 24.* Marketing Performance Manager Satisfaction Based on Customer tTpology




**8.2.4 Size of the companies (medium-sized/large)**

The first and most obvious result from the analysis based on company size is in relation to the amount of metrics used. Larger companies use more non-financial and financial metrics than smaller companies (see Figure 25). This result is unsurprising as it was evidenced pursuant during quantitative analysis, hypothesis testing, of the questionnaire data. In addition, the literature review suggests that larger companies, based on size, tend to use more metrics, which is a consequence of their relatively higher marketing budgets.

*Figure 25.* Number of Metrics: Total, Financial and Non-financial



The greater the number of metrics used, the higher the level of CEO marketing satisfaction, as suggested by the literature. This is also the case with large companies, where CEOs evaluate marketing department performance as above average and higher than the CEOs of smaller companies (see Figure 28).

Large companies when compared to their competitors achieve higher levels of profitability, better maintain market share and react in a timely fashion to market opportunities and threats. This suggests that large companies especially focus on customer retention and building long-term relationships with them. This can be seen in the strategy graph (see Figure 27), which confirms that larger companies focus more on retaining customers and building long-term relationship with them.
Moreover, these results are characteristic of customer-oriented strategies, which are closely connected to RM companies.

Smaller, in this case medium-sized, companies in Slovenia tend to use fewer marketing metrics in comparison to larger ones (see Figure 25). However, it can be seen that in the case of Slovenian medium-sized companies, that more non-financial metrics are used than financial ones. This is in contrast with the literature review, which suggests that even though non-financial metrics are gaining in importance, financial metrics are still considered of primacy in terms of performance measurement, and, consequently, company evaluation. The same goes for managers who place more importance on financial metrics t than the non-financial. As it evidenced in the interviews, non-financial metric measurement supports the measurement of financial metrics.

*Figure 26.* Competition Performance Comparison Based on Company Size

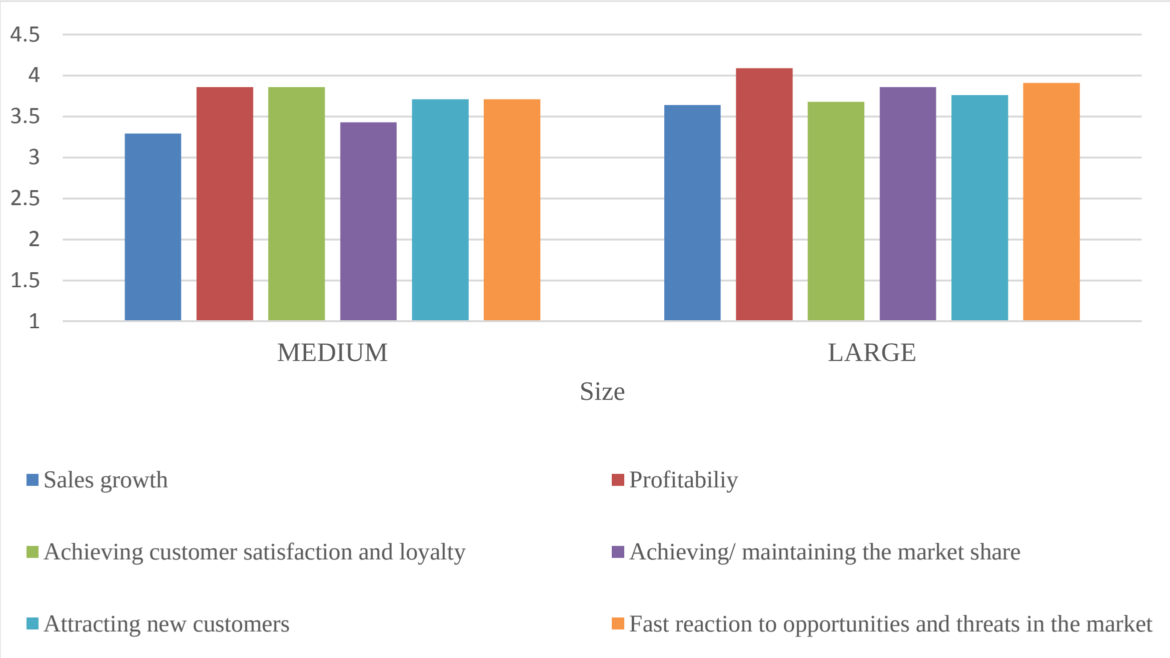
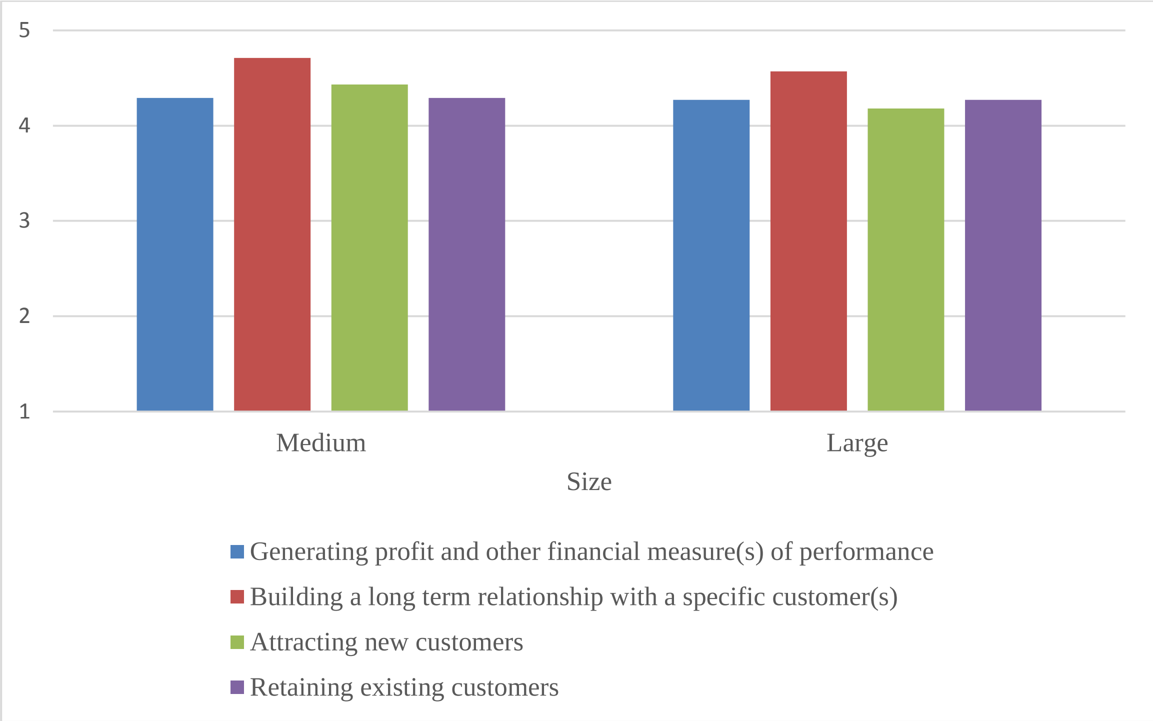
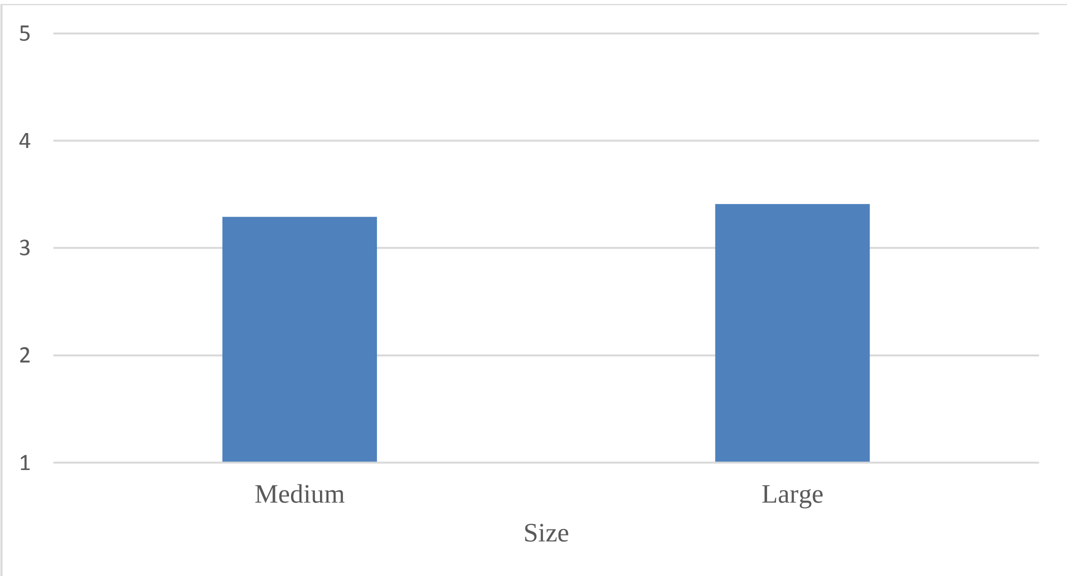


*Figure 27.* Marketing Strategy Focus Based on Company Size



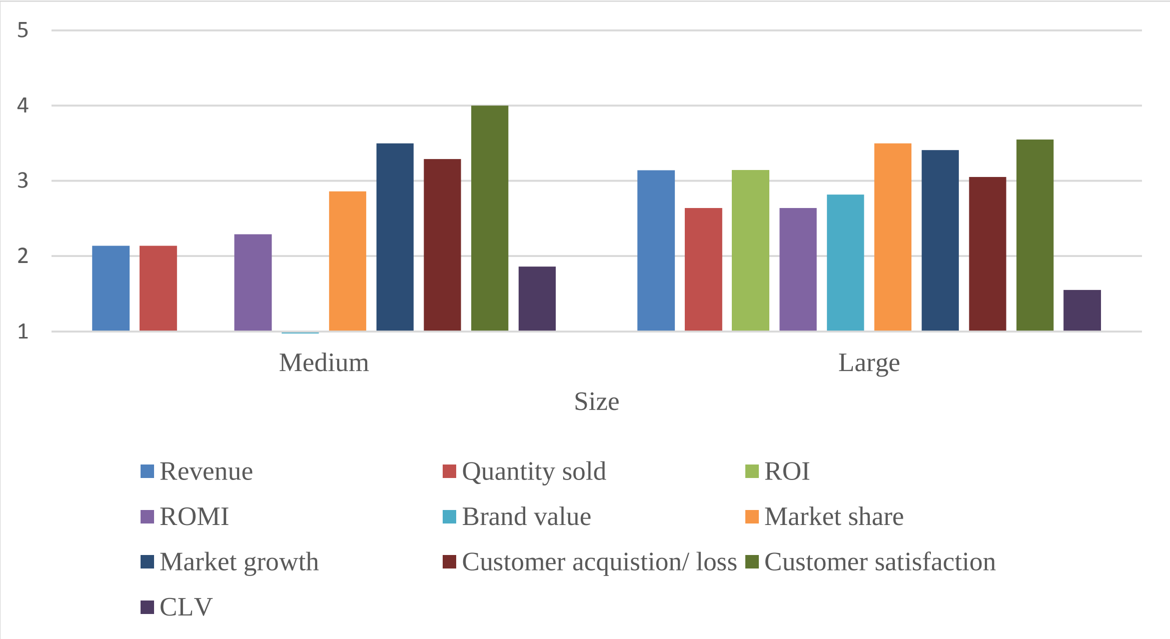

Non-financial metrics’ influence of medium-sized companies can be seen in figure 27. The most important thing for medium-sized companies is building long-term relationship with their customers. The competition comparison performance also suggests that medium-sized companies are better at achieving customer satisfaction/loyalty and maintaining market share than their rivals (see Figure 26).

*Figure 28.* CEO Marketing Performance Satisfaction Based on Company Size



Furthermore, in line with the literature, small and medium-sized companies usually lack sufficient capital and have informal, unplanned approaches MPM. In figure 29, it can be seen that medium-sized companies do not even measure ROI and brand value. The analysis shows that medium-sized companies use fewer performance metrics when compared to large companies. Large companies tend to have more formalised and balanced MPM systems (see Figure 29). On the other hand, medium-sized companies use many non-financial and customer-focused metrics, which, in theory, indicates more balanced MPM systems, which is not the case for medium-sized companies in Slovenia. Moreover, unstructured, informal and unplanned MPM systems may be one of the reasons why CEOs of medium-sized companies evaluate marketing performance as average (see Figure 28), whereas CEOs of large companies evaluate it as above average.

*Figure 29.* MPM Measurement Frequency Based on Company Size




## 8.3 Research limitations

The quantitative analysis faced a few setbacks, which prevented us from gaining the most optimal results possible. Firstly, the questionnaire sample consisted of 259 respondents; as these progressed through the questionnaire, the percentage of answered questions progressively declined; in addition, the questionnaire was active for less than 14 days, which may have influence the number of respondents. With more respondents and a higher response rate, the sample data would be more comprehensive, which would, in all likelihood, positively influence our results.

Secondly, most of the companies, more than 60%, were small companies (see Table 12). Problems at small companies accrue as they usually don't have specialised, stand-alone marketing departments. This problem is evidenced in the qualitative analysis, where, in the case of Slovenia, marketing is usually identified as a support function to sales.

The next problem concerns the questionnaire. The questionnaire was developed pursuant to purposes found in "Navigating Through the Storms," a book dealing with marketing concepts and their practical manifestation in Slovenian companies. One of the chapters in the book covers the topic of MPM and strategy; therefore, only part of the survey questions covered this topic. Further research could not be conducted after the first survey as more than 40 people cooperated in the project. Hence, the set of survey questions, though sufficient for the thesis, was limited. Moreover, due to the diversity of questions concerning marketing, there is reasonable doubt as to whether respondents were able to focus on individual questions.

Table 12**:** Number of Companies Based on Company Size (in %)

| | **Frequency** | **Valid Per cent (%)** |
|---|---|---|
| Large | 28 | 20.1 |
| Medium | 27 | 19.4 |
| Small | 84 | 60.4 |
| Total | 139 | 100.0 |

## 9 Main findings and recommendations

The following are the main findings and clusions of the research, which motivate its recommendations.

### 9.1 Main findings from hypothesis testing

The hypothesis testing provided some interesting results for companies which do business in Slovenia when compared to the qualitative analysis and literature review. Our first finding, surprising to us, is that RM companies in Slovenia do not use more non-financial MPM metrics than TM companies; this result contradicts results from our qualitative analysis and literature review, where RM companies use more non-financial MPM metrics than TM companies; from this, it can be concluded that RM companies use fewer non-financial metrics and that TM companies use more non-financial metrics, as evidenced in the quantitative analysis and literature review.

Secondly, in terms of hypothesis testing, private companies do not use more non-financial MPM metrics than state-owned companies. Again, this result is in contrast with findings from our quantitative analysis and literature review According to the latter, private companies should be more liberal, their managers have more freedom than state-owned company managers, which should results in more customer-oriented strategies and, consequently, utilise more non-financial MPM metrics and MPM itself. However, the opposite was found in terms of our analysis of 29 selected companies, in that that state-owned companies in Slovenia made greater use of MPM in totality and non-financial MPM specifically than private ones.

The hypothesis testing analysis confirmed thoure literature review's thesis, that is that larger companies, according to company size, make greater use of MPM than smaller companies. The reason for this is that company size greatly influences MPM systems. According to our literature review, smaller companies' approach to performance measurement is ad hoc, unplanned and mainly carried out to solve specific problems as they occur. On the other hand, larger companies have more sophisticated and strategic approaches to performance measurement, resulting in greater managerial capacity, workforce resources and capital resources; our hypothesis testing also confirmed this.

In addition, the more MPM metrics used, the greater the positive influence on manager marketing performance evaluation in Slovenian companies; the result can be explained by the fact that managers controlling MPM better evaluate marketing departments, because marketing performance is reflected in overall company performance.

Whilst testing, it was not found that the broader range of information gathered through MPM positively positively influences company performance relative to competitors. Nonetheless, our testing did provide findings of interest that tell of the importance of using more non-financial metrics. Customer loyalty is closely related to following:

- company profitability;
- achieving or maintaining market share;
- attracting new customers;
- timely reaction to market opportunities and threats.

Similarly, market share is closely related to:
- sales growth
- company profitability;
- achieving customer loyalty;
- attracting new customers;
- timely reaction to market opportunities and threats.

This finding attests to the importance of using non-financial measures, pursuant to their influence on financial and overall performance.

However, in the case of companies which do business in Slovenia, there is no marked increase in MPM system use if marketing and sales departments increasingly cooperate closely. The literature review suggests that marketing and sales department cooperation results in a broader range of information gathered via MPM. Of further interest, according to our hypothesis testing, marketing and sales department cooperates more closely in TM companies than in RM companies in the case of companies in Slovenia; this finding is, yet again, in contradiction to our literature review and quantitative analysis.

Moreover, even if companies increased marketing budgets in the years preceding our research, it is not reflected in greater MPM use. This finding is of interest due to the fact that the literature proposes that companies should dedicate more resources to marketing and MPM.

Hypothesis testing also discovered another difference in relation to the literature; testing found that companies pursuing RM strategies do not better evaluate their marketing performance, as suggested in the literature.

## 9.2 Main finding of analysis of 29 selected companies

Our analysis of 29 selected companies has presented some interesting results regarding MPM and strategy in companies in Slovenia, in terms on type ownership, type of market operated in, customer typology and company size.

Analysis suggests that state-owned companies in Slovenia tend to be more relationship-oriented, and this is not evidenced in the literature. As found during hypothesis testing, Slovenian state-owned companies are greatly intrigued by their customers; therefore, their marketing strategies are also more customer-oriented than the literature suggests. Slovenian state-owned companies strongly focus on the following metrics: market share, market growth and customer satisfaction. These metrics imply that state-owned companies use more non-financial metrics. In fact, they use more non-financial metrics and MPM in general than private companies.

Moreover, state-owned companies place higher priority on building long-term relationships with specific customers and retaining existing ones than on generating financial results and attracting new customers, qualities of companies pursuing TM strategies. Nonetheless, state- owned companies evaluate their performance as worse than their private competitors.

Slovenian companies do behave in some of the ways suggested in the literature: marketing budgets are more inflexible in Slovenian state-owned companies; state-owned companies reduce manager freedom and limit their ability to raise additional capital, meaning marketing budgets had been constant in the years preceding our research.

The reason for such deviation in relation to Slovenian state-owned companies and the literature, may lie in the size of the Slovenian economy. Pursuant to the Slovenian economy being small, it is not possible to easily increase domestic market share in most industries. Therefore, state-owned companies made geater use of MPM and relationship-oriented strategies, suggestsing that extensive budgetary measurement and control takes place in order to retain customers and market share. If Slovenian state-owned companies were to lose market share and customers, it would be reflected in lower sales and, consequently, in lower profit, which, in the worst-case scenario, would lead to the collapse of state-owned companies in Slovenia.

The analysis of companies based on customer typology's results are similar to those found pursuant to qualitative analysis and literature review. Slovenian B2B companies typically have long-term relationships with their customers, because their customers are their key stakeholders; therefore, a company's main responsibility is satisfying customer need. Slovenian B2B companies rely more on financial metrics than non-financial ones. Surprisingly, Slovenian B2B companies do not place much importance on marketing and do not usually distinguish between marketing and sales; therefore, most of the B2B companies analysed were classified as TR companies.

On the other hand, Slovenian B2C companies, in the main, use more metrics, particularly non-financial metrics, than B2B companies. It seems that B2C companies are more effective with regard to the measurement than B2B companies. In addition, their measurement systems are more balanced and, together with the increasing number of metrics used, their managers are more positively satisfied with marketing performance. Managers of B2B companies are neither satisfied, or dissatisfied with their marketing departments, which can be explained by the that they make no distinguish between sales and marketing.

However, Slovenian B2B companies place much more importance on one specific metric, CLV, the most important financial metric for them. This was also seen in the qualitative analysis, where one of the B2B company managers said that it is crucial to have personal contact with their top customers, as they bring the most revenue.

Most of our findings concerning MPM and strategy based on company's size are also present in our hypothesis testing results. However, few things popped during our selected company analysis. Large companies in Slovenia tend to do better in terms of achieving profitability and maintaining market share. This means, that they want to maximize their profit from existing customers, meaning that they are more customer-focused. Therefore, large companies in Slovenia follow RM strategies.

Additionally, medium-sized companies rely more on non-financial metrics than financial ones; furthermore, they focus more on building long-term relationships with their customers, which suggests that medium-sized companies are also more customer-oriented in terms of marketing strategy.

Analysis based on markets operated in revealed the following: companies operating on domestic market have the strongest customer-oriented strategies, pursuant to their focus being on building long-term relationship and retaining existing customers. In addition, domestic companies tend to use the greater number of non-financial metrics, which explains why their strategies are customer-focused. Further, domestic companies make greater use of MPM in comparison to companies operating regionally and globally. Pursuant to this, manager marketing performance satisfaction is highest for domestic companies. Moreover, managers of domestic companies better value their marketing performance relative to their competitors. Domestic company results are similar to state-owned company results. Therefore, their conclusions are similar: domestic companies make better use of MPM systems and are customer oriented as they wish to retain customers and be competitive.

The opposite can be seen in the behaviour of regional companies using the fewest MPM metrics, which reflects the lowest manager marketing performance satisfaction and lowest manager marketing performance evaluation relative to competitors amongst domestic and global companies. However, regional companies have the highest levels of cooperation between marketing and sales departments, which suggests that marketing and sales departments are not considered as two separate departments but as one.

Global companies are quite similar to domestic ones with regard to our analysis' results; their main advantage lying in their ability to react in a timely fashion to market opportunities and threats.

## 9.3 Main findings of in-depth analysis

Based on characteristics expressed in the in-depth interview analysis (See Table 3 and Table 4 for detailed overview of findings): two companies were classified as TM companies, one in FMCG and one in the oil and energy industry; three as RM companies, one each in tourism, telecommunications and ICT; the remainder as TRM companies in the financial services, metals, chemicals and electrical engineering industries. No distinct pattern was recognised with regard to industry type and marketing strategy utilised; each strategy type is used by companies in different industries.

The main difference recognised between companies pursuing TM strategies and those pursuing RM strategies in Slovenia is in their use of MPM information in strategic decision-making. According to our in-depth interviews: financial output metrics' dominance over qualitative, non-financial measurement is clearly visible in TM companies, where managers are under increasingly pressure in terms of the importance of financial performance and, consequently, budgetary control. Interviewees in TM companies emphasise that corporate goals are especially aimed at increasing market share and improving profitability, and, consequently, the importance of financial metrics, such as gross margin, turnover and ROS, is much higher. Furthermore, the management boards of companies B and H explained that the financial metrics they only partially use depend on marketing units and are, consequently, important, especially for control purposes and tracking company financial performance.

In contrast, in-depth interviews reveal that RM companies in Slovenia place great importance on interaction with customers and, therefore, greater reliance on customer integration performance, including non-financial input/output metrics. RM company managers highlight the importance of understanding customers and tracking their behaviour; therefore, measures such as CLV, satisfaction, loyalty and customer profitability are key in terms of company success.

Nonetheless, this research shows that RM companies in Slovenian still highly value aggregate financial measures and find them important for comparison across departments and companies and, thus, a valid basis for resource allocation decisions. Furthermore, the majority RM company CMOs stress that marketing performance is very closely related to company financial performance and highlight the strategic importance of marketing in achieving higher-level corporate goals. These findings imply that marketing strategy and MPM systems are much more mutually supporting in RM companies than in TM companies.

On the other hand, companies, which were identified as TRM companies are companies where both transactional and relationship characteristics coexist. Companies A, B, F and G, for example, all emphasise that marketing serves mainly as a support function to sales and is only responsible for the most basic emotional part, the part which needs to be communicated to the public through PR and social events. On the other hand, company C underlined that marketing is most important for the part of their business which focuses on large clients and, as a consequence, their MPM system has developed accordingly.

## 9.4 Recommendations

Our case study, and qualitative and quantitative analyses of of Istrabenz Tourism show that financial performance results are still the main manager evaluation indicators in terms of marketing and company performance. The reason for this being that financial performance results can be measured, and these are the most obvious signals of how well a company is doing, and, as previously mentioned, financial indicators can be easily controlled.

Companies in Slovenia should make greater use of non-financial metrics and, most importantly, understand why they need to perform MPM. It is not necessarily the case that extensive use of non-financial metrics leads to better overall performance. Firstly, companies have to understand non-financial metrics doesn’t usually have a direct, visible effect on the outcomes which can be easily measured. Most often, these measures indirectly impact on company financial performance. Moreover, companies and managers have to be aware that non-financial metrics are influenced less by external factors than financial metrics; therefore, it is important to use this to their advantage.

Secondly, it is important that marketing managers be given more power, as they are not just interested in financial performance, but also other non-financial indicators which impact on overall company results; they are, therefore, also interested in non-financial metrics.

Thirdly, companies in Slovenia should understand that appropriate measurement systems engender both product and service innovation, leading to increased customer satisfaction and better overall performance. With the correct use of non-financial metrics, especially customer satisfaction, customer loyalty and brand values, companies can increase shareholder value.

It is important that Slovenian companies do not forget marketing strategy. As aforementioned by Morgan (2012), well prepared marketing strategies are a key distinguishing characteristic of successful organisations as it better enables them to achieve desired goals. Marketing strategy needs to transform company resources into marketing action to achieve desired goals. Therefore, the movement from TM strategies to RM strategies is inevitable.

Furthermore, in the case of companies in Slovenia, there is still no clear distinction between marketing and sales: they are considered one department, not two different ones. Many companies have only sales departments performing marketing; we are, therefore, unable to distinguish the respective performance of marketing and sales, and thus results are attributed to sales department performance. Companies in Slovenia with the requisite capacity should separate marketing and sales departments, and this will clarify the roles and responsibilities of each. This would also make individual department performance measurement easier.

## CONCLUSION

In summation, the above-mentioned literature review discovered that the use of multiple metrics, both financial and non-financial, is necessary to comprehensively and appropriately measure performance. Empirical evidence suggests that marketing managers formulate non-accounting metrics to measure performance indicators, such as loyalty, customer satisfaction and brand awareness (Seggie, Cavusgil & Phelan, 2007). Measurement is essential in that it allows researcher and manager evaluation of the specific actions of firms and managers, where firms stand in relation to their rivals, and how firms evolve and perform over time (Richard, Devinney, Yip & Johnson, 2009).

MPM influences CEO marketing and overall business performance evaluation. Additionally, an orientation towards learning increases both product innovation and overall performance in their sample.

Morgan (2012) argues that even though it should not be assumed that financial performance dominance is the ultimate goal of all management and investor activity in organisations, it is clearly one of the essential aspects of business performance.
The old paradigm concept of marketing strategy, which was, for some time, the leading concept, is no longer suitable for the contemporary business environment. Today, companies try to justify every single action through extensive and smart performance measurement, and their marketing departments do the same. Moreover, measuring company performance and increasing understanding result in more advanced, quality product and service innovation, leading to better overall performance.

Therefore, changing company mindsets from relying only on single financial MPM systems to using multiple financial and non-financial MPM systems is necessary. The benefits of non-financial metrics are underestimated by managers and, sometimes, they are unable to visualise and understand why they should use them. Non-financial metrics better demonstrate their sensitivity to external factors than financial ones. Pursuant to this, non-financial metrics may improve manager performance assessment by providing a more precise evaluation of their actions. Managers have to be aware that a broader usage of non-financial metrics actually improve financial outcomes. This can be presented simply: use of non-financial measures → identifying customer need → increased customer satisfaction → increased customer loyalty → maintaining/increasing market share → increased sales → higher profitability → increased shareholder value.

Even so, marketing strategy must be clarified before MPM is enabled. As noted above, good marketing strategies separate successful companies from less successful ones. Every good marketing strategy should be able to transform resources to into actions leading to desired goals. This implies a movement from TM strategies to customer-oriented ones.

Slovenian companies are still in the process of transformation. This can be seen in terms of the relationship between marketing strategy and MPMS. The above analysis shows that: there is no clear connection between marketing strategy chosen and MPMS; companies in Slovenia rely more on RM strategies than TM ones. However, companies whose strategy are customer-oriented still place greater importance on financial metrics, even though that they also use non-financial ones.

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# APPENDIXES

## TABLE OF APPENDIXES

## Appendix A: List of Abbreviations

FELU – Faculty of Economics
MPM – Marketing Performance System
MPMS – Marketing Performance Measurement System
TM – Transactional Marketing
RM – Relationship Marketing
4P – Product, Place, Price, Promotion
TRM – Transactional/Relationship Marketing
B2B – Business to Business
B2C – Business to Customers
CEO – Chief Executive Officer
CMO – Chief Marketing Officer
ROI – Return on Investment
ROA – Return on Assets
ROE – Return on Equity
ROS – Return on Sales
AMA – American Marketing Association
CRM – Customer Relationship Management
MPS – Marketing Performance systems
SCP – Structure Conduct Performance
RBV – Resource Based View
DC – Dynamic Capabilities
CLV – Customer Life-Time Value
SME – Small, Medium-Sized enterprises
KPI – Key Performance Indicator
EBIT – Earnings Before Interest and Tax
ROMI – Return on Marketing Investment
NPS – Net Promoter Score
IT – Information Technology
JIT – Just in Time
ICT – Information and Communication Technologies
L-T – Long-Term
PR – Press Releases

## Appendix B: Questionnaire for the company Istrabenz Tourism (In Slovenian Language)

**PRVI DEL: STRATEGIJA**

1. Kako bi trenutno opisali svojo *marketinško strategijo*?
a. Kakšne so glavne karakteristike, focus, cilji? *(graditi dolgoročna razmerja s strankami; pridobiti nove stranke; itd.)*
2. Kakše so lastnosti vašega *tržnega komuniciranja*?
a. Na katere segmente se predvsem osredotočate?
b. Na kakšen način komunicirate s primarnimi strankami?
*3.* Na kaj se osredotoča vaše *tržejsko načrtovanje*? *(ponudbo produktov; stranke;…)*

**DRUGI DEL: MPMS**

1. Ali merite uspešnost v vašem podjetju?
a. Kakšen je razlog, da merite uspešnost v podjetju in kakšne so ugodnosti?
2. Kako merjenje uspešnosti vpliva na vaš posel?
3. Kakšne so značilnosti merjenja uspešnosti marketinga v vašem podjetju?
4. Kako je vaša marketinška strategija povezana z izborom aktivnosti, katerih merite uspešnost?
5. Katere merilnike uspešnosti uporabljate za merjenje uspešnosti prej omejenih marketinških aktivosti? Zakaj?
a. Uporabljate finančne oz. ne finančne merilnike uspešnosti ali oboje?
6. Kateri merilniki uspešnosti so za vas (kot direktorja) najbolj pomembni? Zakaj?
a. LTV je zelo dober KPI – ali je pri vas to ena izmed najbolj pomembnih metrik pri ocenjevanju uporabnikov?
7. Na kakšen način zbirate feedback?
a. Ali upoštevate komentarje na Booking.com
b. Ali uporabljate satisfaction survey? Kako pogosto?
8. Kako imate KPI razdeljene na področja: food and beverage/rooms/terme and wellness ali mice/individual guests/ groups? Zakaj?
9. Koliko časa že merite uspešnost v podjetju?
10. Kakšno je bilo poslovanje pred uvedbo KPI in merjenjem uspešnosti?
a. Ali bo tudi na področju mpsm prišlo do sprememb zaradi uvedbe usalija?
11. Ste že kakšen KPI imeli, pa ste ga potem ukinili? Zakaj?
12. S kakšnimi problem se soočate ko merite uspešnost v podjetju?
13. Kdo je odgovoren za merjenje uspešnosti v vašem podjetju?
a. Komu poroča?
b. Kakšni so ukrepi glede na poročanje?
c. Kdo določa kaj se bo merilo?
14. Kolikokrat letno se posvetite pregledu uspešnosti?
15. Kaj je bil namen prenovitve blagovne znamke Life Class ("Svet zdravih užitkov")?

## Appendix C: Hypotheses

**Hypothesis 1: RM companies use more non-financial performance measures than TM companies.**

Table 1. Group Statistics (Hypothesis 1)

| | TM_RM_3 | N | Mean | Std. Deviation | Std. Error Mean |
|---|---|---|---|---|---|
| Number_non_finncial_measures | 1 | 79 | 4,342 | 1,608 | 0,181 |
| | 2 | 15 | 4,8 | 1,474 | 0,380 |

Table 2. Independent Samples Test (Hypothesis 1)

| | | Levene's Test for Equality of Variances | | t-test for Equality of Means | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | F | Sig. | t | df | Sig. (2-tailed) | Mean Difference | Std. Error Difference | 95% Confidence Interval of the Difference | |
| | | | | | | | | | Lower | Upper |
| Number_non_finncial_measures | Equal variances assumed | 0,119 | 0,731 | -1,024 | 92 | 0,308 | -0,458 | 0,447 | -1,347 | 0,430 |
| | Equal variances not assumed | | | -1,088 | 20,858 | 0,289 | -0,458 | 0,421 | -1,335 | 0,418 |

Based on the results from the two-sample t-test with equal variances, this hypothesis can be rejected. RM companies in Slovenia apparently do not use more non-financial measures than TM companies, which is a surprising finding, given the indications from in-depth interviews. One possible explanation for such result could be a relatively small response rate for questions relating to performance measures (n=94).

**Hypothesis 2: Private companies use more non-financial performance measures than state owned companies**

Table 3. Group Statistics (Hypothesis 2)

| | **Ownership** | **N** | **Mean** | **Std. Deviation** | **Std. Error Mean** |
|---|---|---|---|---|---|
| Number_non_financial_measures | State owned | 16 | 4,875 | 1,5 | 0,375 |
| | Private | 50 | 4,22 | 1,670 | 0,236 |

Table 4. Independent Samples Test (Hypothesis 2)

| | | **Levene's Test for Equality of Variances** | | **t-test for Equality of Means** | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | F | Sig. | t | df | Sig. (2-tailed) | Mean Difference | Std. Error Difference | 90% Confidence Interval of the Difference | |
| | | | | | | | | | Lower | Upper |
| Number_non_financial_measures | Equal variances assumed | 1,479 | 0,228 | 1,398 | 64 | 0,167 | 0,655 | 0,469 | -0,127 | 1,437 |
| | Equal variances not assumed | | | 1,478 | 27,907 | 0,151 | 0,655 | 0,443 | -0,099 | 1,409 |

Based on the results from the independent two-sample t-tests with equal variances, do not show any significant differences in marketing performance measures used regarding the ownership of the company (n=66). Therefore, this hypothesis can be rejected, meaning that Slovenian private companies do not use more non-financial measures than state owned companies do.

**Hypothesis 3: Large companies use larger number of marketing performance measures than small companies**

Table 5. Group Statistics (Hypothesis 3)

| | AJPES1 | N | Mean | Std. Deviation | Std. Error Mean |
|---|---|---|---|---|---|
| MeasuresNumber1 | 1 Large | 29 | 8,345 | 1,738 | 0,323 |
| | 2 Small | 77 | 7,312 | 2,885 | 0,329 |

Table 6. Independent Samples Test (Hypothesis 3)

| | | Levene's Test for Equality of Variances | | t-test for Equality of Means | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | F | Sig. | t | df | Sig. (2-tailed) | Mean Difference | Std. Error Difference | 90% Confidence Interval of the Difference | |
| | | | | | | | | | Lower | Upper |
| Measures Number 1 | Equal variances assumed | 7,452 | 0,007 | 1,806 | 104 | 0,074 | 1,033 | 0,572 | 0,084 | 1,983 |
| | Equal variances not assumed | | | 2,243 | 83,251 | 0,028 | 1,033 | 0,461 | 0,267 | 1,799 |

Based on the results from the independent two-sample t-test with equal variances (n=106) support this hypothesis at a level of significance P=0.074. Consequently, it can be concluded that the size of the company affects the number of performance measures used: large companies in Slovenia use a larger number of performance measures than small and medium size companies.

**Hypothesis 4: Broader range of information generated through MPM positively influences company's performance relative to its competitors.**

Table 7. Descriptive Statistics (Hypothesis 4)

| | **Mean** | **Std. Deviation** | **N** |
|---|---|---|---|
| Number_measures | 7,5088 | 2,47553 | 114 |
| Q14c | 3,69 | 0,823 | 144 |
| Q14d | 3,63 | 0,812 | 142 |
| Q14e | 3,7 | 0,785 | 144 |
| Q14f | 3,63 | 0,793 | 143 |
| Q15a | 4,09 | 1,312 | 145 |
| Q15b | 4,14 | 1,393 | 145 |

Table 8. Correlations, aggregated data (Hypothesis 4)

| | **Sales growth** | **Profitability** | **Achieving customer loyalty and satisfaction** | **Achieving/ maintaining market share** | **Attracting new customers** | **Fast reaction to opportunities and threats in the market** |
|---|---|---|---|---|---|---|
| Sales growth | 1 | | | | | |
| Profitability | | 1 | | | | |
| Achieving customer loyalty and satisfaction | | | 1 | | | |
| Achieving/ maintaining market share | | | | 1 | | |
| Attracting new customers | | | | | 1 | |
| Fast reaction to opportunities and threats in the market | | | | | | 1 |

**Legend: *** green paint means high correlation between variables.

Table 9. Correlations (Hypothesis 4)

| **Correlations** | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | Number_measures | Q14c | Q14d | Q14e | Q14f | Q15a |
| Number_measures | Pearson Correlation | 1 | -0,151 | -0,067 | 0,097 | -0,055 | 0,164 |
| | Sig. (2-tailed) | | 0,115 | 0,485 | 0,309 | 0,566 | 0,085 |
| | Sum of Squares and Cross-products | 692,491 | -33,144 | -14,582 | 18,414 | -10,227 | 53,126 |
| | Covariance | 6,128 | -0,301 | -0,134 | 0,167 | -0,094 | 0,483 |
| | N | 114 | 111 | 110 | 111 | 110 | 111 |
| Q14c | Pearson Correlation | -0,151 | 1 | 0,474** | 0,136 | 0,401** | 0,217** |
| | Sig. (2-tailed) | 0,115 | | 0 | 0,104 | 0 | 0,009 |
| | Sum of Squares and Cross-products | -33,144 | 96,938 | 44,887 | 12,562 | 37,322 | 33,437 |
| | Covariance | -0,301 | 0,678 | 0,318 | 0,088 | 0,263 | 0,234 |
| | N | 111 | 144 | 142 | 144 | 143 | 144 |
| Q14d | Pearson Correlation | -0,067 | 0,474** | 1 | 0,251** | 0,345** | 0,209* |
| | Sig. (2-tailed) | 0,485 | 0 | | 0,003 | 0 | 0,012 |
| | Sum of Squares and Cross-products | -14,582 | 44,887 | 92,958 | 22,62 | 31,085 | 31,296 |
| | Covariance | -0,134 | 0,318 | 0,659 | 0,16 | 0,222 | 0,222 |
| | N | 110 | 142 | 142 | 142 | 141 | 142 |
| Q14e | Pearson Correlation | 0,097 | 0,136 | 0,251** | 1 | 0,513** | 0,302** |
| | Sig. (2-tailed) | 0,309 | 0,104 | 0,003 | | 0 | 0 |
| | Sum of Squares and Cross-products | 18,414 | 12,562 | 22,62 | 88,16 | 45,434 | 44,285 |
| | Covariance | 0,167 | 0,088 | 0,16 | 0,617 | 0,32 | 0,31 |
| | N | 111 | 144 | 142 | 144 | 143 | 144 |
| Q14f | Pearson Correlation | -0,055 | 0,401** | 0,345** | 0,513** | 1 | 0,298** |
| | Sig. (2-tailed) | 0,566 | 0 | 0 | 0 | | 0 |

to be continued

Table 8. Correlations (Hypothesis 4) (cont.)

| | | Number_measures | Q14c | Q14d | Q14e | Q14f | Q15a |
|---|---|---|---|---|---|---|---|
| | Sum of Squares and Cross-products | -10,227 | 37,322 | 31,085 | 45,434 | 89,357 | 44,077 |
| | Covariance | -0,094 | 0,263 | 0,222 | 0,32 | 0,629 | 0,31 |
| | N | 110 | 143 | 141 | 143 | 143 | 143 |
| Q15a | Pearson Correlation | 0,164 | 0,217** | 0,209* | 0,302** | 0,298** | 1 |
| | Sig. (2-tailed) | 0,085 | 0,009 | 0,012 | 0 | 0 | |
| | Sum of Squares and Cross-products | 53,126 | 33,437 | 31,296 | 44,285 | 44,077 | 247,834 |
| | Covariance | 0,483 | 0,234 | 0,222 | 0,31 | 0,31 | 1,721 |
| | N | 111 | 144 | 142 | 144 | 143 | 145 |
| Q15b | Pearson Correlation | -0,013 | 0,181* | 0,389** | 0,311** | 0,281** | 0,411** |
| | Sig. (2-tailed) | 0,895 | 0,03 | 0 | 0 | 0,001 | 0 |
| | Sum of Squares and Cross-products | -4,405 | 29,312 | 61,493 | 48,076 | 43,671 | 108,207 |
| | Covariance | -0,04 | 0,205 | 0,436 | 0,336 | 0,308 | 0,751 |
| | N | 111 | 144 | 142 | 144 | 143 | 145 |
| ** Correlation is significant at the 0.01 level (2-tailed). | | | | | | | |
| * Correlation is significant at the 0.05 level (2-tailed). | | | | | | | |

**Hypothesis 5: Broader range of information generated through MPM positively influences CEO's evaluation of marketing performance.**

Table 10. Group Statistics (Hypothesis 5)

| | **Q13** | **N** | **Mean** | **Std. Deviation** | **Std. Error Mean** |
|---|---|---|---|---|---|
| Number_measures | Satissfied | 72 | 8,014 | 2,133 | 0,251 |
| | Dissatissfied | 40 | 6,65 | 2,860 | 0,452 |

Table 11. Independent Samples Test (Hypothesis 5)

| | | Levene's Test for Equality of Variances | | t-test for Equality of Means | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | F | Sig. | t | df | Sig. (2-tailed) | Mean Difference | Std. Error Difference | 95% Confidence Interval of the Difference | |
| | | | | | | | | | Lower | Upper |
| Number_measures | Equal variances assumed | 6,029 | 0,016 | 2,863 | 110 | 0,005 | 1,36389 | 0,476 | 0,420 | 2,308 |
| | Equal variances not assumed | | | 2,636 | 63,486 | 0,011 | 1,364 | 0,517 | 0,330 | 2,398 |

Based on the result from independent two-sample t-test with equal variances (n=112), this hypothesis can be accepted at the level of significance P=0.005. Therefore, it can be concluded that in the case of companies in Slovenia, a broader range of information gathered through MPM positively affects CEO's evaluation of marketing performance.

**Hypothesis 6: If marketing and sales department cooperate closely, the company uses more MPM.**

Table 12. Group Statistics (Hypothesis 6)

| | COOPERATION_ ANALYSIS | N | Mean | Std. Deviation | Std. Error Mean |
|---|---|---|---|---|---|
| Number_measures_1 | Sodelujeta | 56 | 7,660 | 2,459 | 0,329 |
| | Ne sodelujeta | 35 | 7,657 | 2,351 | 0,397 |

*Table 13: Independent Samples Test (Hypothesis 6)*

| | | **Levene's Test for Equality of Variances** | | **t-test for Equality of Means** | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | F | Sig. | t | df | Sig. (2-tailed) | Mean Difference | Std. Error Difference | 90% Confidence Interval of the Difference | |
| | | | | | | | | | Lower | Upper |
| Number_ measures_ 1 | Equal variances assumed | 0,002 | 0,961 | 0,007 | 89 | 0,995 | 0,004 | 0,521 | -0,863 | 0,870 |
| | Equal variances not assumed | | | 0,007 | 74,783 | 0,994 | 0,004 | 0,516 | -0,855 | 0,862 |

Based on the result of independent t-test with equal variances, the analysis does not show any significant differences in number of marketing performance measures regarding the level of cooperation between marketing and sales department. Therefore, this hypothesis can be rejected; meaning that in Slovenia if marketing and sales department work closely, this does not result in more MPM.

**Hypothesis 7: If marketing budget was increasing in the last years, the company uses more MPM.**

Table 14. Group Statistics (Hypothesis 7)

| | **Marketin_budget1** | **N** | **Mean** | **Std. Deviation** | **Std. Error Mean** |
|---|---|---|---|---|---|
| Nr_measures_1 | 1 | 23 | 8,043 | 1,821 | 0,380 |
| | 3 | 23 | 6,956 | 2,688 | 0,560 |

Table 15. Independent Samples Test (Hypothesis 7)

| | | **Levene's Test for Equality of Variances** | | **t-test for Equality of Means** | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | F | Sig. | t | df | Sig. (2-tailed) | Mean Difference | Std. Error Difference | 90% Confidence Interval of the Difference | |
| | | | | | | | | | Lower | Upper |
| Number_ measures_ 1 | Equal variances assumed | 3,728 | 0,06 | 1,606 | 44 | 0,116 | 1,087 | 0,677 | -0,051 | 2,224 |
| | Equal variances not assumed | | | 1,606 | 38,681 | 0,117 | 1,087 | 0,677 | -0,054 | 2,228 |

Based on the result of independent t-test equal variances not assumed, the analysis does not show any significant differences between increased marketing budget and more MPM. Therefore, this hypothesis can be rejected, meaning that in Slovenia, companies, which marketing budget increases, do not use more MPM.

**Hypothesis 8: Marketing and sales department cooperate more closely in TMC than RMC.**

Table 16. Group Statistics (Hypothesis 8)

| | **RM_TM_TR** | **N** | **Mean** | **Std. Deviation** | **Std. Error Mean** |
|---|---|---|---|---|---|
| COOPERATION_M_S | RM | 78 | 18,231 | 3,145 | 0,356 |
| | TM | 44 | 19,636 | 3,648 | 0,550 |

Table 17. Independent Samples Test (Hypothesis 8)

| | | **Levene's Test for Equality of Variances** | | **t-test for Equality of Means** | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | F | Sig. | t | df | Sig. (2-tailed) | Mean Difference | Std. Error Difference | 90% Confidence Interval of the Difference | |
| | | | | | | | | | Lower | Upper |
| COOPERATION_M_S | Equal variances assumed | 1,295 | 0,257 | -2,236 | 120 | 0,027 | -1,406 | 0,629 | -2,448 | -0,364 |
| | Equal variances not assumed | | | -2,145 | 78,886 | 0,035 | -1,406 | 0,655 | -2,496 | -0,315 |

Based on the result of independent two-sample t-test with equal variances (n=122), this hypothesis can be accepted at the level of significance P=0,027. Therefore it can be concluded, that in case of companies in Slovenia, marketing and sales department in TMC cooperate more closely than in RMC.

**Hypothesis 9: Companies, which pursue RM strategy, positively influences companies' performance evaluation against their competitors.**

Table 18. Group Statistics (Hypothesis 9)

| | **RM_TM_TR** | **N** | **Mean** | **Std. Deviation** | **Std. Error Mean** |
|---|---|---|---|---|---|
| Better_than_competiton | RM | 67 | 6,791 | 2,858 | 0,349 |
| | TM | 40 | 7,65 | 3,840 | 0,607 |

Table 19. Independent Samples Test (Hypothesis 9)

| | | **Levene's Test for Equality of Variances** | | **t-test for Equality of Means** | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | F | Sig. | t | df | Sig. (2-tailed) | Mean Difference | Std. Error Difference | 90% Confidence Interval of the Difference | |
| | | | | | | | | | Lower | Upper |
| Better_than_competiton | Equal variances assumed | 5,833 | 0,017 | -1,32 | 105 | 0,19 | -0,859 | 0,651 | -1,939 | 0,221 |
| | Equal variances not assumed | | | -1,226 | 64,866 | 0,224 | -0,859 | 0,700 | -2,028 | 0,310 |

Based on the results of independent two-sample t-test equal variances not assumed, the analysis does not show any significant differences if companies, which pursue RM strategy better evaluate their performance against their competitors. Therefore, this hypothesis can be rejected, meaning that in case of Slovenia, companies, which pursue RM strategy, do not evaluate better their performance against their competitors.

## Appendix D: Questionnaire for Research

**CEO**
*Dear Sirs,*

*The following questionnaire covers the role of the marketing and sales in the company, specifically how marketing is adding value to the company, its influence, competences and impact on company's performance. The results will provide an overview of the chief executive officer's perspective on the topic and will be presented in an aggregated and anonymous way at the Portorož Business Conference (www.pkp.si).*

*Thank you very much for your participation in better understanding of challenges that marketing faces in Slovenia.*

---

**1. Please respond to the following statements about the current marketing and sales strategy used in your company. (These three questions are related to both B2B and B2C companies).** ***Choose from: 1- never to 5 – always.***

- When dealing with our market, our focus is on:

| | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Generating a profit or other financial measure(s) of performance | | | | | |
| Growing/defending the market share | | | | | |
| Acquiring customer information | | | | | |
| Building a long term relationship with a specific customer(s) | | | | | |

- Our marketing activities are intended to:

| | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Attract new customers | | | | | |
| Retain existing customers | | | | | |
| Increase brand awareness among existing customers | | | | | |
| Increase brand awareness among new customers | | | | | |

- Our marketing planning is focused in issues related to:

| | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Our product/service offering | | | | | |
| Building long-term relationship with our customers | | | | | |
| Specific customers in our market(s) or individuals in organizations we deal with | | | | | |

**2. Imagine your firm has an extreme budget cut. Some of the departments need to be cut on spending. If the activities of the departments listed below would be restricted**

**or eliminated, how quickly would it affect the ability of your company to satisfy customers' needs?** ***Please choose from: 0 – no such department; 1 – no effect at all, 7 – immediate effect.***

| | |
|---|---|
| Finance/Accounting | 0 1 2 3 4 5 6 7 |
| Marketing | 0 1 2 3 4 5 6 7 |
| Sales | 0 1 2 3 4 5 6 7 |
| Research and development | 0 1 2 3 4 5 6 7 |
| Operations (production and manufacturing) | 0 1 2 3 4 5 6 7 |

**3. In general, how difficult it is to find educated, talented and experienced employees for the job required in the following departments?** ***Please choose from: 0 – no such department, 1– strongly disagree, 7 – strongly agree.***

| | |
|---|---|
| Finance/Accounting | 0 1 2 3 4 5 6 7 |
| Marketing | 0 1 2 3 4 5 6 7 |
| Sales | 0 1 2 3 4 5 6 7 |
| Research and development | 0 1 2 3 4 5 6 7 |
| Production and manufacturing | 0 1 2 3 4 5 6 7 |

**4. Please divide 100 points among given business functions according to their influence on each of the following decision areas. The more influential the function, the higher the score allocated to it. If there is no such department in your firm, please assign 0 to the adequate column.**

*For clear distinction between departments, please refer to the following clarification:*

1. *Marketing: brand management, product marketing, market communications and related functions*
2. *Sales: internet sales, key account management and related functions*
3. *Operations: production, product management, R&D, logistics and related functions*
4. *Finance and administration*

| | Finance/ Accounting | Marketing | Sales | Operations | Total |
|---|---|---|---|---|---|
| Pricing | | | | | 100 |
| Strategic direction of the parent company | | | | | 100 |
| Distribution channel strategy | | | | | 100 |
| Major capital expenditures | | | | | 100 |

| | | | | | |
|---|---|---|---|---|---|
| Marketing communications | | | | | 100 |
| Expansion into new geographical markets | | | | | 100 |
| Expansion into new product markets | | | | | 100 |
| Customer satisfaction measurement | | | | | 100 |
| Choices of strategic business partners | | | | | 100 |
| New product development | | | | | 100 |
| Design of customer service and support | | | | | 100 |
| Customer satisfaction improvement programs [join this one with Customer satisfaction measurement] | | | | | 100 |
| Market research and data analysis | | | | | 100 |

**5. To what extent do you agree with the following statements about marketing and sales collaboration in your company?** ***Please choose from 1 – strongly disagree to 5-strongly agree.***

| Marketing and sales department are: | |
|---|---|
| Constantly collaborating | 1 2 3 4 5 |
| Coordinate their market-related activities. | 1 2 3 4 5 |
| Achieve their common goals. | 1 2 3 4 5 |
| Trust each other. | 1 2 3 4 5 |
| Have common performance evaluation | 1 2 3 4 5 |

**6. Please evaluate the importance of the following competences of employees in marketing and sales that add value to the company.** ***Please choose from 1 – not at all important, 5 – extremely important.***

| | Employees in marketing: | Employees in sales: |
|---|---|---|
| Good customer relation | 1 2 3 4 5 | 1 2 3 4 5 |
| Substantive customer | 1 2 3 4 5 | 1 2 3 4 5 |

| | | |
|---|---|---|
| Adequate education | 1 2 3 4 5 | 1 2 3 4 5 |
| Innovativeness | 1 2 3 4 5 | 1 2 3 4 5 |
| Work related responsibility | 1 2 3 4 5 | 1 2 3 4 5 |
| Communication capabilities | 1 2 3 4 5 | 1 2 3 4 5 |
| Interpersonal relations | 1 2 3 4 5 | 1 2 3 4 5 |
| Capabilities in big data | 1 2 3 4 5 | 1 2 3 4 5 |

**7. a The following questions relate to marketing accountability which is defined as a responsibility for the systematic management of marketing resources to achieve measurable gains while maintaining quality and increasing the value of the company. How relevant is marketing accountability in your company? Please choose from 1- not at all; 5 – extremely relevant.** 1 2 3 4 5

**7. b Do you have marketing accountability processes in place?** YES / NO

**8. a If YES: How influential is in your opinion marketing accountability for the following results? Please choose from 1 – not at all, 7 – extremely influential.**

| | |
|---|---|
| Increase in marketing efficiency | 1 2 3 4 5 6 7 |
| Increase in collaboration among departments | 1 2 3 4 5 6 7 |
| Increase in earnings, revenues | 1 2 3 4 5 6 7 |
| Increased in brand value | 1 2 3 4 5 6 7 |
| Increase importance of marketing in the organization | 1 2 3 4 5 6 7 |
| Increase in profitability | 1 2 3 4 5 6 7 |

**8.b If yes: Which are the most important metrics you use for measuring marketing accountability and how often do you use them?** ***Please choose from 1- daily, 2 - weekly, 3 - monthly, 4 - quarterly, 5- yearly.***

| | *Do you use the metric?* | How often do you use it? |
|---|---|---|
| Contribution to the Revenue | *yes* *no* | 1 2 3 4 5 |
| *Contribution to Sales volume* | *yes* *no* | 1 2 3 4 5 |
| *Contribution to ROI* | *yes* *no* | 1 2 3 4 5 |

| | | |
|---|---|---|
| *ROMI (Return on marketing investment)* | *yes* *no* | 1 2 3 4 5 |
| *Brand equity value* | *yes* *no* | 1 2 3 4 5 |
| *Market share* | *yes* *no* | 1 2 3 4 5 |
| *Market growth* | *yes* *no* | 1 2 3 4 5 |
| *Customer acquisition/retention rate* | *yes* *no* | 1 2 3 4 5 |
| *Customer satisfaction* | *yes* *no* | 1 2 3 4 5 |
| *Customer lifetime value* | *yes* *no* | 1 2 3 4 5 |

**8. c Which are the major obstacles for marketing accountability in your company? *Please choose.***

| | |
|---|---|
| | Time constraints |
| | Budget constraints |
| | Inadequate staff resources |
| | Hard to get data |
| | Lack of skills for developing performance measurement metrics |
| | Internal resistance |

**9.a What percentage of the firm's revenue is dedicated for marketing communication (messages and media deployed to communicate with the market)? _______________ %.**

**9. b Over the last three years, has the marketing budget: a. increased / b. staid stable / c. declined ?**

**10 a. To what extent has your company achieved better results than the competition in the following areas over the last three years? Please choose (1 – much worse than the competition, 5 – much better than the competition):**

| | 1- much worse | 2- worse | 3- like competition | 4- better | 5-much better |
|---|---|---|---|---|---|
| Sales growth | | | | | |
| Profitability | | | | | |
| Achieving customer satisfaction and loyalty | | | | | |
| Achieving / maintaining the market share. | | | | | |
| Gaining new customers. | | | | | |
| Fast reaction to opportunities and threats in the market. | | | | | |
| Overall marketing performance | | | | | |

**10 b. Please indicate your (dis)agreement about your industry with the following statements.** ***Please choose from 1 – strongly disagree, 7 – completely agree.***

| | |
|---|---|
| In our business, customers' preferences change all the time. | 1 2 3 4 5 6 7 |
| We are witnessing demand for our products and services from customers who never bought them before. | 1 2 3 4 5 6 7 |
| New customers tend to have needs that are different from those of our existing customers. | 1 2 3 4 5 6 7 |
| Our customers tend to look for new products all the time. | 1 2 3 4 5 6 7 |
| There are many “promotion wars” in our industry. | 1 2 3 4 5 6 7 |
| Any offer that one competitor makes to the market, others can readily match. | 1 2 3 4 5 6 7 |
| Price competition is a cornerstone of our industry. | 1 2 3 4 5 6 7 |
| One hears of a new competitive move almost every day. | 1 2 3 4 5 6 7 |
| We generally respond quickly to technological changes in the environment. | 1 2 3 4 5 6 7 |
| We lag behind the industry in responding to new technologies. | 1 2 3 4 5 6 7 |
| We tend to resist new technologies. | 1 2 3 4 5 6 7 |

**Za konec še nekaj klasifikacijskih vprašanj, ki jih potrebujemo za analizo po skupinah podjetij:**

**11. Kolikšen je delež skupne podaje, ki jo podjetje ustvari:**

1. na območju občine oz. lokalne skupnosti _____%
2. na območju regije _____%
3. na območju Slovenije _____%
4. na trgih nekdanje Jugoslavije _____%
5. v vzhodni Evropi, ki je del EU _____%
6. na EU trgih, ki niso vzhodna Evropa _____%
7. na trgih nekdanje Sovjetske Zveze _____%
8. na neevropskih trgih _____%

**12. Kolikšen je delež prodaje in dobička, ki prihaja iz mednarodne dejavnosti podjetja:**

___ % celotne prodaje ___ % celotnega dobička

**13. Operativna organizacijska struktura:**

☐ funkcijska (glede na poslovne funkcije, npr. prodaja, nabava, finance, kadrovska, proizvodnja)
☐ produktna (glede na izdelke/storitve, ki jih organizacija nudi)
☐ matrična (kombinacija funkcijske in produktne)
☐ mešana (npr. holding)
☐ po geografskih trgih
☐ po skupinah kupcev / distribucijskih kanalih

**14. Koliko let že delate na tej funkciji v podjetju? _______ (Zaokrožite, do vključno polovice enega leta označite z 0.)**

| **15. Na katerem delovnem mestu ste zaposleni?** | **16. Kakšen pa je Vaš status v organizaciji?** |
|---|---|
| ☐ direktor podjetja/predsednik uprave<br>☐ član uprave<br>☐ direktor marketinga<br>☐ direktor/vodja oddelka za oglaševanje, PR<br>☐ direktor/vodja prodaje<br>☐ drugo: ________________________ | ☐ Sem lastnik organizacije in jo vodim ter upravljam<br>☐ Sem glavni v organizaciji oziroma sem v višjem managementu.<br>☐ Vodim enega izmed oddelkov v organizaciji.<br>☐ Sem projektni vodja.<br>☐ Nisem nobenemu neposredno nadrejen.<br>☐ Drugo:____________________________ |

**17. Katerega leta ste rojeni? (odgovor vpišite v kvadratke)**

| 1 | 9 | | |
|---|---|---|---|

**18. Vaš spol? (označite kvadratek pred odgovorom)**

☐ Moški ☐ Ženski

**19. Kakšna je vaša dokončana izobrazba?**

☐ Poklicna šola ali manj
☐ Štiriletna srednja šola
☐ Višja šola
☐ Visoka šola
☐ Specializacija, magisterij ali doktorat

**20. Na katero področje sodi vaša dokončana izobrazba?**

☐ Družboslovje:
☐ Ekonomija, poslovne vede
☐ Komunikologija, odnosi z javnostmi ☐ Drugo
☐ Naravoslovje
☐ Tehnične vede
☐ Drugo

**Iskrena hvala za sodelovanje! V zahvalo za vaše sodelovanje vam bomo posredovali analizo zbranih podatkov v agregirani obliki.**

**CMO Questionnaire**

*Dear Sirs,*

*The following questionnaire covers the role of the marketing and sales in the company, specifically how marketing is adding value to the company, it's influence, competences and impact on company's performance. The results will provide an overview of the chief marketing officer's perspective on the topic and they will be presented in an aggregated and anonymous way at the Portorož Business Conference (www.pkp.si).*

*Thank you very much for your participation in better understanding of challenges that marketing faces in Slovenia.*

---

**1. Please respond to the following statements about the current marketing and sales strategy used in your company. (These three questions are related to both B2B and B2C companies).** ***Choose from: 1- never to 5 – always.***

- When dealing with our market, our focus is on:

| | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Generating a profit or other financial measure(s) of performance | | | | | |
| Growing/defending the market share | | | | | |
| Acquiring customer information | | | | | |
| Building a long term relationship with a specific customer(s) | | | | | |

- Our marketing activities are intended to:

| | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Attract new customers | | | | | |
| Retain existing customers | | | | | |
| Increase brand awareness among existing customers | | | | | |
| Increase brand awareness among new customers | | | | | |

- Our marketing planning is focused in issues related to:

| | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Our product/service offering | | | | | |
| Building long-term relationship with our customers | | | | | |
| Specific customers in our market(s) or individuals in organizations we deal with | | | | | |

**2. Please indicate your agreement or disagreement with arguments related to your brand, where 1 means "strongly disagree" and 7 "completely agree".**

| | |
|---|---|
| I The name of our company is well-known in our industry. | 1 2 3 4 5 6 7 |
| Our company is recognized by other members of our supply chain as a strong trade partner. | 1 2 3 4 5 6 7 |
| In comparison to other companies in the industry, we are a leading brand in the industry. | 1 2 3 4 5 6 7 |
| Our customers are willing to pay more in order to do business with us. | 1 2 3 4 5 6 7 |
| Our brand is different from other companies in the industry. | 1 2 3 4 5 6 7 |
| Our brand name gives us an advantage over other companies in the industry. | 1 2 3 4 5 6 7 |
| Branding is essential to our strategy. | 1 2 3 4 5 6 7 |
| We have enough resources to develop our brand. | 1 2 3 4 5 6 7 |
| We have reached a desired brand position in the market. | 1 2 3 4 5 6 7 |
| Our company has built a strong customer brand loyalty. | 1 2 3 4 5 6 7 |
| Our company has built a strong brand awareness in the target market. | 1 2 3 4 5 6 7 |

**3. Please divide 100 points among given business functions according to their influence on each of the following decision areas. The more influential the function, the higher the score allocated to it. If there is no such department in your firm, please assign 0 to the adequate column.**

For clear distinction between departments, please refer to the following clarification:

5. Marketing: brand management, product marketing, market communications and related functions
6. Sales: internet sales, key account management and related functions
7. Operations: production, product management, R&D, logistics and related functions
8. Finance and administration

| | Finance/ Accounting | Marketing | Sales | Operations | Total |
|---|---|---|---|---|---|
| Pricing | | | | | 100 |
| Strategic direction of the parent company | | | | | 100 |
| Distribution channel strategy | | | | | 100 |
| Major capital expenditures | | | | | 100 |
| Marketing communications | | | | | 100 |
| Expansion into new geographical markets | | | | | 100 |
| Expansion into new product markets | | | | | 100 |
| Customer satisfaction measurement | | | | | 100 |
| Choices of strategic business partners | | | | | 100 |
| New product development | | | | | 100 |
| Design of customer service and support | | | | | 100 |
| Customer satisfaction improvement programs [join this one with Customer satisfaction measurement] | | | | | 100 |
| Market research and data analysis | | | | | 100 |

**4. To what extent do you agree with the following statements about marketing and sales collaboration in your company? *Please choose from 1 – strongly disagree to 5-strongly agree.***

| Marketing and sales department are: | |
|---|---|
| Constantly collaborating | 1 2 3 4 5 |
| Coordinate their market-related activities. | 1 2 3 4 5 |
| Achieve their common goals. | 1 2 3 4 5 |
| Trust each other. | 1 2 3 4 5 |
| Have common performance evaluation | 1 2 3 4 5 |

**5. a To what extent do you use the following sources of large dataset (datasets whose size is beyond the ability of typical database software tools to capture, store, manage, and analyse) for business analytics in marketing? *Please choose from 1 - not at all, 7 - a lot.***

| | |
|---|---|
| Scanners – ie bar code scanner, 3D scanner, etc. | 1 2 3 4 5 6 7 9 |
| Sensors – ie temperature, humidity, light, etc. | 1 2 3 4 5 6 7 9 |
| Data base records | 1 2 3 4 5 6 7 9 |
| Spread sheets | 1 2 3 4 5 6 7 9 |
| Reports | 1 2 3 4 5 6 7 9 |
| External | 1 2 3 4 5 6 7 9 |
| Other: | 1 2 3 4 5 6 7 9 |

**5.b To what extent do you use the following sources of unstructured data for big data business analytics in marketing? *Please choose from 1 - not at all, 7 - a lot.***

| | |
|---|---|
| Social media | 1 2 3 4 5 6 7 |
| Text messages | 1 2 3 4 5 6 7 |
| Blogs | 1 2 3 4 5 6 7 |
| Forums | 1 2 3 4 5 6 7 |
| Web pages | 1 2 3 4 5 6 7 |
| Video | 1 2 3 4 5 6 7 |
| Audio | 1 2 3 4 5 6 7 |
| E-mails | 1 2 3 4 5 6 7 |
| Other: | 1 2 3 4 5 6 7 |

**5.c To what extent do you use the following sources for real-business analytics? Real time refers to the timing in which a computer receives data without delay, and**

**analytics made in the same time as the data is received or when decision is made.** ***Please choose from 1 - not at all, 7 - a lot.***

| | |
|---|---|
| Scanners – ie bar code scanner, 3D scanner, etc. | 1 2 3 4 5 6 7 |
| Sensors - ie temperature, humidity, light, etc. | 1 2 3 4 5 6 7 |
| Data base records | 1 2 3 4 5 6 7 |
| Spread sheets | 1 2 3 4 5 6 7 |
| Reports | 1 2 3 4 5 6 7 |
| External | 1 2 3 4 5 6 7 |
| Other: | 1 2 3 4 5 6 7 |

**5.d How would you describe the data you are using for business analytics in marketing?** ***Please choose from 1 – strongly disagree, 7 – completely agree.***

| | |
|---|---|
| Accurate | 1 2 3 4 5 6 7 |
| Ambiguous | 1 2 3 4 5 6 7 |
| Incomplete | 1 2 3 4 5 6 7 |
| Inconsistent | 1 2 3 4 5 6 7 |

**6.a Big data is defined by its large size that is not manageable by the traditional database software, by real-time processing ,variety of data types (structured and unstructured), and the quality of analyzed data. What kind of big data business analytics do you conduct in marketing? Please choose from 1 – never, 7 – always.**

| | |
|---|---|
| Descriptive - evaluates 'why' something happened. It needs exploratory data. | 1 2 3 4 5 6 7 |
| Prescriptive - associates decision alternatives with the prediction of outcomes. Includes tools such as optimization and simulation. | 1 2 3 4 5 6 7 |
| Diagnostic - evaluates 'why' something happened. Includes tools such as visualization techniques. | 1 2 3 4 5 6 7 |
| Predictive - seeks options, predicts potential future outcomes, and explains drivers using statistical or data mining techniques. | 1 2 3 4 5 6 7 |

**6.b For what purposes are you mostly using the results of big data business analytics in marketing? Please respond to the following statements (*1 - strongly disagree, 7 – completely agree):***

| | |
|---|---|
| Promotion purposes | 1 2 3 4 5 6 7 |

| | |
|---|---|
| To gain customer insight | 1 2 3 4 5 6 7 |
| To communicate with customer | 1 2 3 4 5 6 7 |
| To deliver customer experience | 1 2 3 4 5 6 7 |
| To better allocate resources | 1 2 3 4 5 6 7 |
| To increase sales | 1 2 3 4 5 6 7 |
| Other: | 1 2 3 4 5 6 7 |

**7. The following questions relate to marketing accountability, which is defined as a responsibility for the systematic management of marketing resources to achieve measurable gains while maintaining quality and increasing the value of the company.** Therefore, it means that company is using understandable performance measures of marketing activities in order to be able to demonstrate the impact marketing has in financial terms and to justify efficient use of marketing budget.

**How relevant is marketing accountability in your company? Please choose from 1- not at all; 5 – extremely relevant. 1 2 3 4 5**

**7.b Do you have marketing accountability processes in place?** YES / NO
(eg. Do you have in use marketing performance measures where you measure the overall effectiveness of marketing activities)

**8.a If YES: How influential is in your opinion marketing accountability for the following results? Please choose from 1 – not at all, 7 – extremely influential.**

| | |
|---|---|
| Increase in marketing efficiency | 1 2 3 4 5 6 7 |
| Increase in collaboration among departments | 1 2 3 4 5 6 7 |
| Increase in earnings, revenues | 1 2 3 4 5 6 7 |
| Increased in brand value | 1 2 3 4 5 6 7 |
| Increase importance of marketing in the organization | 1 2 3 4 5 6 7 |
| Increase in profitability | 1 2 3 4 5 6 7 |

**8.b If yes: Which are the most important metrics you use for measuring marketing accountability and how often do you use them?**
**Please choose from 1- daily, 2 - weekly, 3 - monthly, 4 - quarterly, 5- yearly.**

| | *Do you use the metric?* | How often do you use it? |
|---|---|---|

| | | |
|---|---|---|
| Contribution to the Revenue | *yes* *no* | 1 2 3 4 5 |
| Contribution to Sales volume | *yes* *no* | 1 2 3 4 5 |
| Contribution to ROI | *yes* *no* | 1 2 3 4 5 |
| ROMI (Return on marketing investment) | *yes* *no* | 1 2 3 4 5 |
| Brand equity value | *yes* *no* | 1 2 3 4 5 |
| Market share | *yes* *no* | 1 2 3 4 5 |
| Market growth | *yes* *no* | 1 2 3 4 5 |
| Customer acquisition/retention rate | *yes* *no* | 1 2 3 4 5 |
| Customer satisfaction | *yes* *no* | 1 2 3 4 5 |
| Customer lifetime value | *yes* *no* | 1 2 3 4 5 |

**8.c Which are the major obstacles for marketing accountability in your company? Please choose.**

| | |
|---|---|
| | Time constraints |
| | Budget constraints |
| | Inadequate staff resources |
| | Hard to get data |
| | Lack of skills for developing performance measurement metrics |
| | Internal resistance |

**9 a. The following questions relate to marketing performance, which is a part of company's performance measurement system. Please rate your company's current ability to provide the following MPM information.**
**Please choose from 1 – poor, 7 – excellent.**

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|---|
| Benchmark indicators of marketing performance | | | | | | | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| against plans | | | | | | | |
| Benchmark indicators of marketing performance against competitors | | | | | | | |

**9 b. For each of the following marketing activities please indicate if you measure its performance. If YES, further rate the marketing activity's importance for your company. (This question is related to both B2B and B2C companies) *(1 - not at all important, 7 - extremely important):***

| | | |
|---|---|---|
| Customer retention | Yes/No | 1 2 3 4 5 6 7 |
| Customer attraction | Yes/No | 1 2 3 4 5 6 7 |
| Communication with customers/CRM | Yes/No | 1 2 3 4 5 6 7 |
| Branding | Yes/No | 1 2 3 4 5 6 7 |
| Stakeholder relationship management | Yes/No | 1 2 3 4 5 6 7 |
| Internal communication with other functions/departments | Yes/No | 1 2 3 4 5 6 7 |
| Distribution and channel management | Yes/No | 1 2 3 4 5 6 7 |
| Market research and intelligence dissemination within the company | Yes/No | 1 2 3 4 5 6 7 |
| Intelligence dissemination towards non-marketing functions and supply-chain partners | Yes/No | 1 2 3 4 5 6 7 |
| New product launch/development | Yes/No | 1 2 3 4 5 6 7 |
| Promotion efficiency/effectiveness, return on advertising campaigns | Yes/No | 1 2 3 4 5 6 7 |

**10 a. To what extent has your company achieved better results than the competition in the following areas over the last three years? Please choose (1 – much worse than the competition, 5 – much better than the competition):**

| | 1- much worse | 2- worse | 3- like competition | 4- better | 5-much better |
|---|---|---|---|---|---|
| Sales growth | | | | | |
| Profitability | | | | | |
| Achieving customer satisfaction and loyalty | | | | | |
| Achieving / maintaining the market share. | | | | | |
| Gaining new customers. | | | | | |
| Fast reaction to opportunities and threats in | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| the market. | | | | | |
| Overall marketing performance | | | | | |

**10 b. In your opinion, what is CEO's evaluation of your company's current marketing performance?**

i. Excellent ii. Above average iii. Average iv. Below average

**11. Indicate your agreement or disagreement with the arguments relating to your B2B marketing activities, while 1 means "strongly disagree" and 7 "completely agree".**

| | |
|---|---|
| In our business, customers' preferences change all the time. | 1 2 3 4 5 6 7 |
| We are witnessing demand for our products and services from customers who never bought them before. | 1 2 3 4 5 6 7 |
| New customers tend to have needs that are different from those of our existing customers. | 1 2 3 4 5 6 7 |
| Our customers tend to look for new products all the time. | 1 2 3 4 5 6 7 |
| There are many "promotion wars" in our industry. | 1 2 3 4 5 6 7 |
| Any offer that one competitor makes to the market, others can readily match. | 1 2 3 4 5 6 7 |
| Price competition is a cornerstone of our industry. | 1 2 3 4 5 6 7 |
| One hears of a new competitive move almost every day. | 1 2 3 4 5 6 7 |
| We generally respond quickly to technological changes in the environment. | 1 2 3 4 5 6 7 |
| We lag behind the industry in responding to new technologies. | 1 2 3 4 5 6 7 |
| We tend to resist new technologies. | 1 2 3 4 5 6 7 |

**Za konec še nekaj vprašanj, ki jih potrebujemo za analizo v agregirani obliki:**

| **12. Na katerem delovnem mestu ste zaposleni?** | **13. Kakšen pa je Vaš status v organizaciji?** |
|---|---|
| ☐ direktor podjetja/predsednik uprave<br>☐ član uprave<br>☐ direktor marketinga<br>☐ direktor/vodja oddelka za oglaševanje, PR<br>☐ direktor/vodja prodaje<br>☐ drugo: ______________________ | ☐ Sem lastnik organizacije in jo vodim ter upravljam<br>☐ Sem glavni v organizaciji oziroma sem v višjem managementu.<br>☐ Vodim enega izmed oddelkov v organizaciji.<br>☐ Sem projektni vodja.<br>☐ Nisem nobenemu neposredno nadrejen.<br>☐ Drugo (kaj?):________________________ |

**14. Katerega leta ste rojeni? (odgovor vpišite v kvadratke)**

| 1 | 9 | | |
|---|---|---|---|

**15. Vaš spol? (označite kvadratek pred odgovorom)**

☐ Moški ☐ Ženski

**16. Kakšna je vaša dokončana izobrazba?**

☐ Poklicna šola ali manj
☐ Štiriletna srednja šola
☐ Višja šola
☐ Visoka šola
☐ Specializacija, magisterij ali doktorat

**17. Na katero področje sodi vaša dokončana izobrazba?**

☐ Družboslovje:
☐ Ekonomija, poslovne vede
☐ Komunikologija, odnosi z javnostmi
☐ Drugo
☐ Naravoslovje
☐ Tehnične vede
☐ Drugo

EKONOMSKA FAKULTETA
UNIVERZA V LJUBLJANI

MAGISTRSKO DELO

# MERJENJE TRŽENJSKE USPEŠNOSTI IN TRŽENJSKE STRATEGIJE V SLOVENSKIH PODJETJIH

## POVZETEK

## KAZALO

# UVOD

Ena od glavnih skrbi podjetij so vse večji pomen trženja in notranji pritisk, da bi upravičili tržne naložbe. Vodstvo nima širokega razumevanje kaj bi bilo potrebno storiti, da ugotovijo kako in na kakšen način bi bilo potrebno meriti marketinško uspešnost, zato je omenjena tema še vedno v središču akademskih raziskav. Podjetja, katerih glavni cilj so kupci, se soočajo z visokim pritiskom in vedno večjo potrebo po ustrezni tržni odgovornosti. Ključni pomen pa so uspešno opravljanje trženjsko strateških ciljev in dobra finančna uspešnost podjetja.

Prva ugotovitev na podlagi raziskave je bila ta, da slovenska podjetja ne obravnavajo trženja kot posamezno funkcijo v podjetju, ampak bolj kot podporno funkcijo prodajnemu oddelku. Zato sva hotela nadaljno raziskati ali se merjenje uspešnosti trženja in strategija trženja razume enako kot opisuje znanstvena literatura. Pri izvedbi analize in empirične študije o povezavi med tržno strategijo in marketinškimi merami trženja literature opredeljuje naslednje teoretične koncepte: sistem razvrščanja za tržne strategije, glavne spremenljivke, ki označujejo sistem marketinškega merjenja trženja in prispevek trženja, ki vpliva na uspešnost podjetja.

V raziskavi Coviello (1997) je razvit preprost sistem razvrščanja marketinške strategije, ki pomaga pri prepoznavanju in razlikovanju različnih oblik trženja, ki se lahko uporabljajo v poslovnih praksah. Raziskava je opredelila nekaj vrst tržnih strategij, ki jih lahko predstavimo kot; (1) Transakcijsko trženje (TM), ki se v svoji strategiji močno poslužuje koncepta 4P in marketinških aktivnosti, katerih glavni namen je, da bi pritegnili kupca, (2) Relacijski marketing (RM), ki se osredotoča predvsem na tesen in dolgoročni odnos s stranko in na ohranjanje in krepitev odnosov s posameznimi strankami (3) Transakcijski / relacijski marketing (TRM) je usmerjen v odnos do kupca hkrati pa posveča veliko pozornosti tudi večanju števila kupcev.

Razmerje med trženjsko strategijo in sistemom merjenja uspešnosti trženja je še vedno le delno pokrit z literaturo. Cilj te naloge je predvsem analizirati, kako se trženjski sistem za merjenje uspešnosti prepleta z značilnostmi strategije v slovenskih podjetjih, pri čemer je potrebno upoštevati številne razlike med podjetji glede na velikost (mala in srednje-velika), lastništvo (privatna, zasebna), vrsto na trgu v katerem delujejo (lokalna, regionalna ali globalna) in tipologija s katerimi strankami podjetje posluje (B2B-B2C). Poleg tega pa obstaja skrb, da v Sloveniji trženje ni razvito do stopnje, da predstavlja posamezno funkcijo / oddelek v podjetju, vendar je del prodajne funkcije / oddelka. Prav to je bil eden od glavnih razlogov za analizo razmerja med tržno strategijo in uspešnostjo trženja v slovenskih podjetjih. V nalogi želimo raziskati tudi kako vrednotenje merjenja trženjske uspešnost vpliva na marketinškega direktorja in tudi na celotno poslovanje podjetja.

# 1. Merjenje marketinške uspešnosti in strategija

Uspešna podjetja, se od manj uspešnih ne razlikujejo le po dobro zasnovani trženjski strategiji, s katero določajo kje, kdaj in kako se bodo soočila s svojo konkurenco, pač pa z izvedbo le-te (npr. Day & Wensley, 1988; Vardarajan, 2010).

Po navadbah trženjskih akademikov, se podjetja v zadnjem času nagibajo bolj k ohranjanju strank in se osredotočajo na upravljanje njihovih odnosov, kot pa na pridobivanje novih (Day & Montgomery, 1999; Morgan & Hunt, 1994; Webster, 1992). Tak pristop je bolj znan pod imenom relacijski marketing. Cilj marketinških aktivnosti relacijskega marketinga, je ustvarjanje, razvijanje in ohranjanje odnosov s strankami, ki strmi k dolgoročnem sodelovanju (Coviello et al., 2002).

Zgoraj navedeni pristop pa ni bil vedno primarna trženjska perspektiva. Relacijski marketing je nastal kot alternativa na zastarel in nič več spremenljiv koncpet transakcijskega trženja, ki je relavanten samo za redka podjetja. Ameriška marketinška zveza (American Marketing Association – AMA) je definirala marketing po konceptu 4P (izdelek, cena, promocija in postavitev na tržičše), ki je tesno povezan s konceptom transakcijskega trženja. Transakcijsko trženje pa se za razliko od relacijskega marketinga osredotoča na ekonomske transakcije, pridobivanje novih strank in zadovoljevanju njihovih potreb s pomočjo kocepta 4P.

Za potrebe raziskave o povezavi med merjenjem marketinškega uspeha in marketinško strategijo, so bile marketinške strategije razdeljene s pomočjo zgoraj opisanih konceptov na: (1) Transakcijsko trženje, (2) Relacijski marketing. Kljub tej enostavni klasifikaciji strategij na transkacijsko treženje in relacijski marketing, je potrebno marketinško strategijo gledati iz širše perspektive, ki pravi, da transkacijsko treženje in relacijski marketing nista medsebojno izključujoči (Coviello et al., 1997). Zaradi tega, so bile prepoznane tri marketinške strategije, ki so bistvenega pomena za našo raziskavo:

- Transakcijsko trženje (TM), ki sledi konceptu 4P in uporablja marketinške aktivnosti, ki se osredotočajo na pridobivanje strank in standardiziranju odnosov z njimi.
- Relacijski marketing (RM), ki se osredotoča na ohranjanje ter razvijanju odnosa s posamezno stranko in je močno nagnjeno k sodelovanju.
- Transakcijski / relacijski marketing (TR), za katerega je značilna prepletenost marketinga odnosov in marketinga transakcij, v odnosu s strankami.

V tabeli 20 najdete podrobno razlago značilnosti strategij:

Tabela 20. Lastnosti Tranzicijskega in Relacijskega trženja

| **Lastnosti** | **Transakcijsko trženje** | **Relacijski marketing** |
|---|---|---|
| CRM | Slabo razvit | Visoko razvit |
| Pridobivanje vs. Ohranjanje strank | Pridobivanje strank | Ohranjanje strank |
| Dolgoročni odnosi s strankami vs. standardizirani odnosi s strankmami | Standardizirani odnosi | Dolgročni odnosi s strankami |
| Marketinška komunikacija: masovni trg vs. posamezna stranka | Masovni trg – neosebna komunikacija | Posamezna stranka – perosnalizirana komunikacija |
| Sodelovanje z ne marketniškimi oddelki (izmenjava znanja) | Slabo sodelovanje – majhna stopnja izmenjave znanja | Tesno sodelovanje – visoka stopnja izmenjevanja znanja |
| Marketing: stroškovna enota vs. investicijska enota | Stroškovna enota | Investicijska enota |

## 2. Metodologija

Povezavo med tržno strategijo in merjenjem uspešnosti trženja sva raziskovala s pomočjo naslednjih metod:

- Kvalitativna analiza:
  - Poglobljeni intervjuji z večjimi slovenskimi podjetji
  - Študija primera: Istrabenz Turizem
- Kvantitativna analiza:
  - Testiranje hipotez (na podlagi vprašalnka)
  - Analiza 29 izbranih slovenskih podjetij (na podlagi vprašalnka)

S pomočjo kvalitativne analize, bomo dobili vpogled v to kakšno strategijo trženja podjetja uporabljajo, kako strategija trženja vpliva na aktivnosti, ki jih v podjetju sprejmejo, kako se merijo aktivnosti, zakaj jih merijo, kdo je odgovoren za merjenje, kakšen pomen in vpliv pri načrtovanju strategije ima marketinški oddelek v posameznem podjetju, ali je marketinški oddelek naložba ali stroškovno mesto in kakšen odnos imajo s svojimi strankami.

Primarni podatki pri kvantitativni analizi so bili zbrani s pomočjo anket s predsednikom uprave ali z marketinškim direktorjem. Podjetja so bila izbrana na podlagi značilnosti, kot naprimer velikost in industrija. Izbor podjetij je bil izveden na način, da zajamemo podjetja, ki delujejo v različnih panogah, ki imajo različno tipologijo strank in zasledujejo različne tržne strategije.

Cilj razikave je bil bolj podrobno raziskati povezavo med tržno strategijo in marketinškem merjenjem uspešnosti, zato sva imela tudi en daljši intervju s podjetjem Istrabenz Turizem.

## 3. Glavne ugotovitve iz poglobljenih intervjujev

Na podlagi glavnih značilnosti izraženih v analizi poglobljenih intervjujev sta bili dve podjetji razvrščeni kot podjetje, ki zasleduje transakcijsko strategijo (FMCG, naftno in energijsko industrijo); tri kot relacijsko strategijo (turizem, telekomunikacije in IT industrija) in druga kot transakcijska / relacijska strategija (finančne storitve, metalurško-kemijska industrija, elektro ter kemična industrija). V omenjenih podjetjih s transakcijsko strategijo je tudi jasno vidno, da vodstvo nameni več pozornosti finančni uspešnost podjetja in ima velik nadzor nad financami. Cilji podjetja so še posebno usmerjeni v povečanje tržnega deleža, ki vodi v povečanje dobička. Zelo pomemben indikator je donosnost prodaje (ROS). Iz intervjujev je razvidno, da so finančni merilniki le delno odvisni od marketinških enot in da je njihov namen predvsem nadzor in sledenje finančne uspešnosti podjetja.

Ravno nasprotno, pa se v poglobljenih intervjujih pokaže, da podjetja, ki zasledujejo relacijsko strategijo dajejo velik pomen odnosu s strankam. S tam dajejo večji poudarek tudi nefinančnim meritvam. Uprava v relacijskih podjetjih daje prav posebno pozornost razumevanju kupcev in spremljanju njihovega vedenja. Zelo pomembni indikatorji so zadovoljstvo kupcev in njihova zvestoba. Kljub temu pa na podlagi poglobljenega intervjuja lahko rečemo, da relacijska podjetja v sloveniji še vedno dajejo visoko vrednost tudi finančnim meritvam, saj je trženje zelo tesno povezano s finančno uspešnostjo celotnega podjatja.

Pri podjetjih, opredeljenih kot relacijska / transakcijska je vidno, da trženje služi predvsem kot podporna funkcija za prodajo in je odgovorno za odnose z javnostmi in družabne dogodke. Podjetje iz te skupine je omenilo, da je trženje v podjetju zelo pomembeno, ker se osredotoča na velike stranke, zato je merjenje uspešnosti ustrezno razvito.

### 3. 1 Študija primera, podjetje Istrabenz Turizem

Tabela 21. Lastnosti podjatja Istrabenz Turizem

| | |
|---|---|
| **Strategija** | Relacijska strategija |
| **Industrija** | Turizem |
| **Karakteristike marketinške strategije** | Baza vodenja odnosov s stranko (CRM) je zelo pomembna in razvita. Spremljanje karakteristik kupcev je tudi njihova konkurenčno prednost in se uporablja za prilagajanje ponudbe za posamezne stranke in strateške odločitve |
| **Merjenje marketinške uspešnosti** | Najpogosteje uporabljene mere uspešnosti so: zadovoljstvo kupcev, zvestoba, CLV in stopnja fluktuacije. Uporabljajo se pa tudi finančne mere kot naprimer ROS, tržni delež, promet in rast prodaje. |
| **Zadovoljstvo vodje** | Marketinške mere uspešnosti vplivajo na poslovno uspešnost, saj so merilniki uspešnosti marketinškega oddelka močno povezani s cilji podjetja. |

## 4. Priporočila

Vse analize narejene v tej tezi: kvalitativna, kvantitativni in študija primer Istrabenz Turizem, so prikazale finančni rezultat podjetja kot še vedno vodeči indikator, po katerem vodstvo podjejta ocenjuje tako uspeh marketinškega oddelka kot tudi celotnega podjetja. Razlog za to je v enostavnosti merjenja finančnih rezultatov, ki je najočitnejši pokazatelj uspešnosti posameznega podjetja. Poleg tega so finančni rezultati najlažje kontrolirani.

Slovenska podjetja bi morala povečati uporabo nefinančnih meritev in kar je najpomembneje, morajo razumeti, zakaj jih merijo in uporabljajo. Ni nujno, da se bo povečala uspešnost podjetja, s prekomerno uporabo nefinančnih meritev. Prvič, podjetja se morajo zavedati, da uporaba nefinančnih meritev, običajno ne vodi k enostavnem merjenju rezultatov. Velikokrat imajo takšne meritve posreden učinek na finančno uspešnost podjetja. Poleg tega, morajo imeti podjetja in njihovi managerji v vidu, da je prednost uporabe nefinančnih meritev v tem, da so manj občutljive na zunanje faktorje, kot finančne meritve.

Drugič, podjetja v Sloveniji morajo dati večja pooblastila vodjem trženja, saj so le-ti zainteresirani ne samo za finančne rezultate, pač pa tudi druge indikatorje (nefinančne indikatorje), kateri vplivajo na uspešnost celotnega podjetja.

Tretjič, s pravilno uporabo nefinančnih meritev, še posebej zadovoljstva in lojalnosti strank ter vrednosti blagovne znamke, podjetja na posreden način povečujejo vrednost podjetja za lastnike.

Poleg zgoraj naštetih priporočil, podjetja v Sloveniji ne smejo pozabiti na marketinško strategijo. Dobro pripravljena in izvedena strategija je ključen faktor, ki razlikuje uspešenjša podjetja od manj uspešnih, saj so uspšenjša podjetja bolj sposobna doseči zastavljene cilje. Marketinška strategija more znati razporediti marketinška sredstva v tiste aktivnosti, s katerimi bo podjetje sposobo doseči zastavljene cilje. Potemtakem je prehod iz TM strategije v RM strategijo neizbežen.

## 5. Hipoteze

Kvantitativna analiza je bila narejena na podlagi statističnega testiranja hipotez. Podatki za testiranje so bili pridobljeni s pomočjo treh (skoraj) identičnih vprašalnikov, ki so bili razdeljeni glede na položaj ankentiranca v podjetju (vodja marketinškega oddelka, vodja prodaje in direktor podjetja). Vprašalniki so bili nato združeni skupaj, da smo pridobili kar največji možen vzorec (259 odgovorov), s katerim smo nato testirali hipoteze.

S pomočjo kvantitativne analize smo statistično testirali devet hipotez, katere smo pridobili iz obstoječe literature:

H1: RM podjetja uporabljajo več nefinančnih meritev kot TM podjetja.

H2: Privatna podjetja uporabljajo več nefinančnih meritev kot državna podjetja

H3: Velika podjetja uporabljajo več meritev marketinških rezultatov kot srednja in majhna podjetja.

H4: Več informacij zbranih s pomočjo meritev marketinških rezultatov pozitivno vpliva na rezultate podjetja proti njihovi konkurenci.

H5: Več informacij zbranih s pomočjo meritev marketinških rezultatov pozitivno vpliva na oceno marketinškega uspeha podjetja s strani direktorja družbe.

H6: Če marketinški in prodajni oddelek sodelujeta tesneje, podjetje uporablja več meritev marketinšega uspeha.

H7: Če je proračun za marketinški oddelek naraščal v zadnjih letih, podjetje uporablja več meritev marketinšega uspeha.

H8: Marketinški in prodajni oddelek sodelujeta bolj v TM kot RM podjetjih

H9: Podjetja, ki sledijo relacijski strategiji, ocenjujeo uspešnost svojega podjetja kot boljše kot njihova konkurenca.

Na podlagi rezultatov testiranja, so bile potrjene naslednje hipoteze: H3, H5, H8, ostalih hipotez statistično niso bile potrjene.

# 6. Analiza 29 izbranih podjetij

Poleg kvantitativne analize s pomočjo statističnega analiziranja hipotez, je bila narejena še ena kvantitativna analiza. Razlog dodatne kvanitativne analize so bili podatki, ki so bili izbrani s pomočjo vprašalnika. Večina podjetij, katera so bila anketirana, je bilo majhnih, kar pa je bilo v nasprotju s kvalitativno analizo, kjer je bilo večna podjetji velikih ali pa vsaj srednje velikih. Prav zaradi različnih velikosti podjetja, so se nekatera odkritja kvalitativne analize, razlikovala od kvantitativne analize. Poleg tega sva po pregledu literature ugotovila, da so večja podjetja bolj primerna za analizo.
Da bi lažje razumela ugotovitve kvalitativne analize, sva naredili dodatno kvantitativno

analizo na podlagi 29 izbranih podjetij v Sloveniji. Večina od teh podjetij je bilo velikih ali vsaj srednje velikih (poglej Figure 8).

Razen pomoči pri boljšem razumevanju kvalitativne analize, sva s pomočjo dodatne kvantitativne analize 29 podjetij lahko analizirala merjenje marketinšega uspeha in strategijo na podlagi:

- Lastništva podjetja (privatna, državna podjetja)
- Trga na katerem poslujejo (lokalni, regionalni, globalni)
- Tipa strank (B2B, B2C)
- Velikosti podjetja (srednje, velika)

## 7. Zaključek in priporočila

S pregledom literature smo odkrili, da je uporaba tako finančnih kot nefinančnih meritev skupaj nujna, če želijo podjetja v popolnosti meriti svoj uspeh. Merjenje je ključno, saj se s tem omogoči podjetnikom ter akademikom ocenjevanje specifičnih aktivnosti podjetja, ki vpliva na uspešnost podjetja. Merjenje marketinškega uspeha vpliva na oceno direktorja podjetja na marketinški in tudi uspeh celotnega podjetja.

Koncept marketinške strategije je bil nekaj časa vodeča miselnost marketinške strategije, ni več primerna za današnje poslovanje. Danes se podjetja trudijo upravičiti vsako posamezno aktivnost (finančno in nefinančno), s podrobnim merjenjem in vplivom na uspešnost podjetja. Merjenje uspešnosti in razumevanje rezultatov pomaga podjetjem ustvariti naprednejše produkte in storitve, katere vplivajo na boljši skupni uspeh posameznega podjetja.

Zato morajo podjetja spremeniti svoje razmišljanje in začeti poleg finančnih meritev uspeha meriti tudi nefinačne meritve uspeha. Managerji podcenjujejo uporabo nefinančnih mer, ker niso zmožni videti prednosti njihove uporabe. Kot je že bilo napisano, nefinančne meritve so manj občutljive na zunanje faktorje kot finančne. Zaradi tega, bi morale nefinančne meritve managerjem izboljšati razumevanje prednosti njihove uporabe. Managerji bi se morali zavedati, da večja uporaba nefinančnih mer vodi k izboljšanju finančnih rezultatov. To lahko predstavimo z enostavno shemo: Uporaba nefinančnih meritev → identificiranje potreb strank → večje zadovoljstvo strank → večja zvestoba strank → ohranjanje/ povečevanje marketinškega deleža → večja prodaja → večja dobičkonostnost → večja vrednost za lastnike podjetja.

Podjetja pa ne smejo pozabiti, da je merjenje odvisno od same marketinške strategije. Kot že omenjeno, dobra marketinška strategija razlikuje uspešna podjetja od manj uspešnih.

Vsaka dobra marketinška strategija je sposobna uporabiti dana sredstva tako, da dosežejo zastavljene cilje. Vse to nakazuje, da je premik iz transakcijskega trženja k bolj relacijskemu nujen.