

COMPARATIVE REVIEW OF MARKETING PERFORMANCE MANAGEMENT MODELS - CLASSICAL MODELS VS DIGITAL MARKETING MODELS

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The aim of this scientific paper is to present and analyse the fundamental differences and shared aspects in literature, regarding the measuring and evaluating marketing performance between the traditional and innovative digital marketing performance management models. Special attention is being paid to the need of their integration, in order to present marketing performance of organisations in a more realistic, comprehensive and inclusive manner, and to enable an effective marketing performance management, ultimately leading to the effective overall organisational performance management. Their interaction and integration is one of the crucial challenges of contemporary scientific research in marketing, and contemporary marketing practice globally. Classical marketing performance management models need to be complemented with contemporary digital marketing performance assessment models, and their integration leads to innovative, comprehensive models that integrate classical and innovative approaches. Such an inclusive approach is aimed at providing organisations with a comprehensive understanding of their marketing performance, enabling them to make informed decisions and strategically navigate the complexities of the modern market. This will be a main focus of this paper, and methodologically, apart from the theoretical elaboration and a literature review, a blended methodological approach will be implemented in the paper

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1 Introduction

Marketing Performance Management is a critical aspect of contemporary marketing, as it helps organizations to analyze data, make predictions, and optimize marketing plans, campaigns, and resources. It represents a comprehensive approach to measuring and evaluating marketing performance, which involves integrating different marketing models, strategies and tactics.

The interaction between traditional and digital marketing strategies drives the need to revise the models used for marketing performance management, in order to ensure that organizations remain competitive and can easily adapt to market changes. The fundamental differences and shared aspects in measuring and evaluating marketing performance between classical and digital models emphasize the need to develop an inclusive approach.

Moreover, when creating such an inclusive approach, the focus should also be placed on identifying and analyzing the key performance indicators – KPI's that are specific to both classical models and digital marketing performance measurement models.

This approach will provide organizations with a comprehensive understanding of their marketing performance, enabling them to make informed decisions and strategically navigate the complexities of today's marketplace.

2 Literature review

The literature review showed that the classical models for measuring and evaluating marketing performance are partial, and should be integrated with contemporary models for measuring and evaluating performance in digital marketing. Classical marketing performance models are more focused on aligning marketing initiatives with business objectives. Subsequently, they involve monitoring and measuring the outcomes of these initiatives, emphasizing broader organizational metrics as key indicators of the initiatives' effectiveness in generating positive results. Classical marketing performance models provide a historical overview of all marketing activities and collect and aggregate data while improving organizational efficiency.

Digital marketing performance assessment models, on the other hand, focus on digital marketing channels such as social media, email, etc. These models use technology to measure and analyze data and optimize marketing performance accordingly. Coulombe (2015) in his article "How to integrate traditional and digital marketing" suggests that by integrating classical and contemporary digital marketing strategies and models, organizations can attract more potential customers, equip and motivate their sales and marketing teams and increase their chances of achieving their business objectives.

Several studies have provided valuable insights and frameworks for measuring marketing performance. Gao (2010) offers a detailed review of marketing performance studies and proposes a unified marketing performance measurement approach. The study highlights the importance of understanding and evaluating marketing performance for an organization's overall productivity.

According to other authors, marketing performance can be defined as the efficiency and effectiveness of organizational marketing activities in relation to market-related objectives, such as revenue, development and market share (Homburg et al., 2010). Ambler, argues that there is a great deal of imprecision in defining marketing performance, but it can be measured using marketing metrics. Marketing performance measurement is the assessment of the relationship between marketing activities and business performance (Bruce & Ambler, 2001).

Järvinen (2016) in his research paper states that the academic marketing literature has gained advanced knowledge by assessing the metrics used by organizations and combining them with the theoretical frameworks that establish connections between the diverse impacts of marketing on the market outcomes, financial values and organizational performance.

Basimakopoulou et al. (2022) in their article "A literature review on Digital Marketing: The Evolution of a Revolution" suggest that the future of marketing appears to embrace augmented and virtual reality. Therefore, technology, together with the development and adoption of specific organizational capabilities and the integration of robust business processes, is crucial.

3 Methodology

The methodology of this scientific research paper is based on comprehensive data collection and analysis from primary and secondary data sources. The range of resources includes books, journals, internet literature, articles, reports and other relevant materials on the research problem, brought together through the application of scientific research methods such as induction, deduction, analysis and synthesis. In addition, the methodology extends to researching Internet databases, adding a digital dimension to the entire research process. In order to make a comparative review and to present the fundamental differences and shared aspects in the literature regarding the measurement and evaluation of marketing performance between classical and digital models.

The main aspect of this research methodology includes a careful examination of the relevant literature, with a review of classical scientific studies, contemporary literature and existing scientific research studies, articles and reports related to marketing performance management models and their development from classical models to innovative, digital models. The aim is to establish a comprehensive understanding of the research subject.

4 Comparative review of marketing performance management models

Classical marketing performance management models are partial, limited and not sufficiently inclusive of digital marketing performance. Their focus is on traditional marketing performance which they express it through classical performance measurement indicators. On the other hand, if the performance of digital marketing is managed exclusively through classical models, the obtained results would not be complete and reliable.

Contemporary digital marketing performance assessment models if used exclusively on their own without integrating classical marketing performance management models, would not give the completely desired results.

The integration of these two generations of models, will lead to innovative, comprehensive models that integrate classical and innovative approaches in measuring marketing performance.

As a theoretical basis, the most typical models from both groups are first analyzed, which further during the research will represent the basis for an appropriate upgrade to the new comprehensive approaches.

The traditional approach in marketing performance management includes the use of various models, such as Balanced Scorecard, Marketing Dashboard, Media (Marketing) Mix Modeling. These models provide a framework for analyzing marketing performance, identifying key performance indicators and optimizing marketing resources. The most widely accepted performance management model is the **Balanced Scorecard (BSc)** model. Kaplan and Norton (1992) describe this model, which derives from the vision and mission of the organization, based on four key perspectives – financial, customer/consumer, internal processes and learning and development, according to which marketing performance objectives are defined. Furthermore, the achievement of the goals is monitored through the key performance indicators (KPI's) which are grouped in the marketing performance scorecard. Such a model covers the strategic and tactical level of organizations. Whereas the **Marketing Dashboard (MD)** consists of key elements that include the summarization and integration of key performance indicators with the underlying drivers to communicate performance across the organization (Clark et al. 2001). A properly created Marketing Dashboard model provides a mechanism for efficient management and allocation of resources, in order to improve overall marketing performance. Classical **Marketing Mix Modeling (MMM)**, is a revolutionary modeling tool of the 20th century, that collects and analyzes data, uses channel attribution models, and conducts market research surveys to measure the impact of marketing efforts. This is a model that, through an analysis technique, allows marketers to measure the impact of their marketing performance to determine how the various elements contribute to their ultimate goal. These three models that are selected for the purposes of this research are models that deal with the assessment of marketing performance management, including the classical key performance indicators in traditional marketing that are compiled of long-term and short-term, financial and non-financial metrics, which are key components in managing the organization's overall marketing performance.

However, classical marketing performance management models are partial and have limitations, as they do not take into account the impact of digital marketing strategies and models, which are becoming increasingly important in today's digital environment.

Contemporary digital marketing performance assessment management models have changed the way organizations approach managing overall marketing performance. They provide new opportunities for how organizations can reach their target market and drive growth in marketing performance.

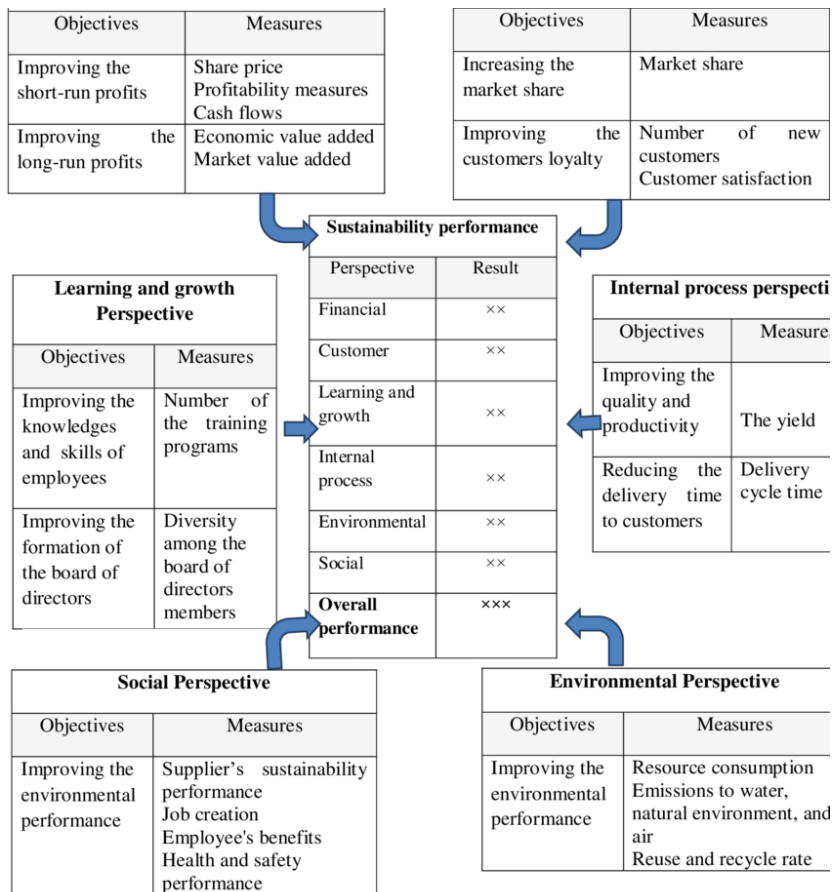


Figure 1: The Contemporary Balanced Scorecard model

Source: Abdelrazek, A. Fathi, Sustainability Balanced Scorecard: A Comprehensive Tool to Measure Sustainability Performance, IJSSER 2019, Vol.4, Issue 02, February 2019, p. 956

The models already mentioned are models that undergo transformation over time and are adapted for application in digital marketing performance management. Although the **Balanced Scorecard model** was originally designed to perform traditional business functions, it can be effectively adapted to measure performance in digital marketing. Using the BSc model in this context is key for organizations to ensure that their digital marketing strategies align with wider organizational goals and deliver measurable results. In the advanced BSc model, in addition to the existing four perspectives, another key perspective is added - the sustainability perspective (Kalender&Vayvay, 2016). The fifth perspective enables companies to include social, economic and environmental pillars in marketing performance management and marketing strategy. The contemporary **Marketing Dashboard** takes advantage of the positive aspects of the new blockchain technologies and artificial intelligence, and it helps organizations to monitor customer data, their standardization and quality, and increases the coordination between different departments, as well as between partners in the supply chain. The data captured in these technologies is readily available. Artificial intelligence has its share and progress in automating certain parts of the model and while graphs can be generated based on statistically collected data, the marketer only has to verbalize the hypotheses to be tested in the research in measuring marketing performance (Pauwels&Reibstein, 2023). The new generation of **Marketing Mix Modeling** represents a major advance in marketing performance measurement that overcomes the limitations of classical MMM (Deloitte Digital, 2022). With new comprehensive insights, advanced forecasting capabilities, increased emphasis on actionable business results and its adaptability to change, it empowers marketing managers to make informed decisions, optimize their strategies and maximize marketing performance.

In addition to the above classical models, these advanced contemporary models for measuring and evaluating marketing performance in digital marketing, accompanied by key performance indicators in digital marketing compiled of short-term and long-term, financial and non-financial indicators, are key components in managing digital marketing performance in organizations.

4 Conclusions

The research findings propose that organizations could improve their efficiency and effectiveness of measuring marketing performance by integrating both classical marketing performance management models and digital marketing performance assessment models.

However, the detailed interaction between the classical and digital marketing assessment models in order to better understand and optimize their integration for improved organizational performance, should be researched in detail as a further study.

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