BRAND PERFORMANCE MEASUREMENT THROUGH BALANCED SCORECARD MODEL

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Brand Performance Measurement through Balanced Scorecard Model

ABSTRACT

Brand Performance Measurement is of paramount importance for any marketing organisation. Scholars and experts have developed various methods and models to assess performance of a brand most accurately and objectively. Each of the different methods and models, the authors feel, takes a particular perspective based on which the performance is measured, broadly either financial or marketing perspectives. Usually a brand's performance is measured and denominated in value terms on the occasion of sale of a brand or while reporting it in balance sheet as an intangible asset. It is seen that performance of a brand is measured only on the basis of returns, royalty, earnings, cash flows on one hand, or on the basis of awareness, identity/image, retention/advocacy, perceived quality etc on the other.

A brand is the sum total of value attachments by the customers to given brand. Brand owners add value at each and every function and action performed, starting from product conceptualization to post purchase experience for the customer. Brand performance can be understood as the value perception by customers for each such value addition. Value addition can be very well understood through Balanced Scorecard (BSC) model as developed by Kaplan and Norton. Authors make an effort to identify the elements of brand value creation through various business functions and processes; and incorporate the same into BSC model. This, the authors believe shall lead to a holistic understanding of brand value perceptions – representing brand performance. The BSC based brand performance measurement model would enable measurement of brand performance at any point of time in the progression of business. The same thus becomes a comprehensive strategic planning and implementation paradigm.

Key Words: Brand; Balanced Scorecard; Brand Performance Measurement; Comprehensive Strategic Planning; Brand Management.

INTRODUCTION

There are few certainties that must be heeded -- globalization, technological advances, and deregulation – that spell endless opportunities. As John Gardner observed many years ago 'Behind every problem is a brilliantly disguised opportunity' (Kotler, 2000). Along with the capacity to end hunger in the world and to cure many epidemic diseases, today mankind has so many blessings: vast improvements in modern medicine, extremely high productivity through mechanization and automation, the promise of computers and the Internet, the rapid growth of global trade, and the end of the cold war. But alongside these blessings there persist the intractable problems of managing business through ethical practices, maintaining markets and market shares, managing growth at a rate higher than the rate of inflation, satisfying your customer and delighting him with every experience he has with your brand.

Change is occurring at an accelerating rate; today is not like yesterday and tomorrow will be different from today, and continuing today's strategy is risky. Every time there is the need for evolving a new strategy, leaders who want to plot the future success of their companies, are challenged to find a path that makes sense, a path to success of the brand.

CONCEPTUAL FRAMEWORK

BRAND – THE ULTIMATE SUCCESS SYMBOL

In today's business lexicon the word 'brand' is being used most heavily (Miller & Muir, 2004). Geoffrey Randall, has mentioned in the very beginning of his book The Art of Marketing – Branding, 'No one ever got fired for buying IBM' (Randall, 2001). A brand can create value for a business, by enhancing business performance and providing a source of competitive advantage.

But what exactly does this ‘brand’ mean? David Ogilvy described a brand as ‘the intangible sum of a product’s attributes: its name, packaging and price, its history, its reputation, and the way it is advertised’ (Randall, 2001). Stephen King has said, ‘a product is something that is made in a factory; a brand is something that is bought by a consumer’ (Miller & Muir, 2004). Charles Revson, founder of Revlon, made a similar point when he said that in the factory, he made cosmetics; in the store, his customers bought hope. What do all these mean? Is it that a brand is a ‘holistic combination of product and added values’? (Randall, 2001). Instead it is better to say, a brand supports volume and price, it is a symbol of continuity and trust between an organization and its stakeholders, it is an impact of total efforts an organization puts in, it is a perception in the mind of consumers and also it is a source of providing motivation and interest for stakeholders. (Sydney, J. 1991, Randall, 2001; Nicholas, 2003; Clark, McNeilly, 2004; Lindstrom, 2005; Roll, 2006). Brands in modern world are highly complex and the best ones are highly emotionally charged. It would take many metrics to accurately measure a brand, in the same way that it takes many measures of human health to form a medical opinion. The fact is, the more measures that one uses to improve the brand indicates more reliability for future business success. Hence it is time for a new approach, where the mantra of focus on single measure is not only pernicious but also persistent (Binet & Field, 2007).

Beginning from product quality, price, packaging, distribution, promotion and target segment, marketers try to sell an offering supported by attitude of consumers towards the product. Along with many other aspects one of the major attribute to evaluate a product and its performance in the market is through measuring its brand performance. This brings us to a set of questions; What is a brand? What is its importance? Why do we need to take care of it, why do we concentrate on it, how do we measure its performance and what are the

methods we use to measure it, and lastly, are these methods sufficient in providing a comprehensive understanding of the value of the brand? Or, do they require to be updated?

THE VALUATION ZIGSAW

Stuart has said, 'If this business were split up, I would give you the land and bricks and mortar, and I would take the brands and trademarks, and I would fare better than you.' — John Stuart, Chairman of Quaker (Jones, 1999)

Investments in brands are increasing and becoming strategic priority for any company. Companies have realized that one of the best means of standing apart, being perceived unique, and thereby increasing sales and revenues, lies in creation and on-going management of brands. Increasing importance of brands has been widely recognized with new accounting standards and tax legislations reflecting the financial value of brands. It was when, Nestle made a takeover bid for Rowntree, well-known confectionery manufacturer, for the very first time brands became headline news in the UK. This pushed up share price of Rowntree, with very huge amount Nestle was willing to pay for the value of Rowntree's brands. Though, strong brands are powerful and profitable, there are many challenges and threats to their continuing strength and their existence. (Clark, 2004)

Raymond Perrier in Brand Valuation has stated that, 'Creating leadership brands requires that brand-meaning is understood throughout the internal organization, and lived in day-to-day practice'. Only then will the brand be able to communicate convincingly to the external world, stand apart from others, attract and retain consumers who share its vision, and ultimately increase its economic value as an asset. (Perrier, 1997) This leads us to a question: 'How to 'value' a brand?' As such, many authors and researchers have developed a variety of methods for brand valuation.

MUTIPLICITY OF PARAMETERS FOR BRAND PERFORMANCE MEASUREMENT

Professor David Jobber identified seven main factors in building successful brands. According to him 'Quality is a vital ingredient of a good brand, the 'core benefits' – consumers expect must be delivered well and consistently'. For positioning he says it is a position a brand occupies in the market as in the minds of consumers. When a brand tries to change its market position to reflect a change in consumers' tastes, perhaps because its original market has matured or has gone into decline, or as a brand becomes tired it requires repositioning. He also considers 'first-mover advantage' as one of the factors making a brand successful as it is positioned in the minds of target customers before the competition enters the market. One also has to consider long-term perspective: the need to invest in the brand over the long-term. Ultimately management should ensure that the whole business understands the brand values and positioning. (Jobber, 2003)

Here we observe that while Jobber has considered variety of aspects for brand performance measurement like consumer benefit, positioning, quality, first mover advantage, etc there still remain perspectives and parameters unattended.

LITERATURE REVIEW

SOME MARKETING PARAMETERS

Price premiums and market share have been closely associated with the increasingly salient concept of brand equity (Park and Srinivasan 1994; Bello and Holbrook 1995; Aaker 1996). These outcomes, which in turn drive brand profitability, depend on various aspects of brand loyalty. Specifically, brand loyal consumers may be willing to pay more for a brand because they perceive some unique value in the brand that no alternative can provide (Chestnut and Jacoby 1978; Reccheld 1996). Similarly, brand loyalty leads to greater market share when

the same brand is repeatedly purchased (Aaker, 1991). Furthermore, because of various affective factors, loyal consumers may use more of the brand or identify with its image (Upshaw 1995, Chaudhari & Holbrook, 2001, 2002)**.**

Superior brand performance outcomes such as greater market share and a premium price (relative to the leading competitor) may result from greater customer loyalty. This loyalty, in turn, may be determined by trust in the brand and by feelings or affect elicited by the brand. (Hasanali, 2005)

As Graham, John and Nigel have said in their Publication 'Marketing Strategy & Competitive Positioning' brand valuation remains highly controversial. Though a number of factors are taken into account when valuing brands for accounting purposes (Murphy 1991) they are all, however, related to the ability of the brand to produce a better return than competitors, now or in the future. (Morgan, Pritchard, Pride, 2003; Graham, John, Nigel, 2003) It is pertinent to briefly discuss these factors as identified by Graham et al. Current market position states that brands that are market leaders are typically valued more highly than brands that may have good market shares, but operate in markets where another brand is dominating, and are more valuable in established, high-volume markets with further potential of growth. The same is true for brands having global presence. Third is the durability of brand names, which have lasted for many years and are likely to have developed stronger customer loyalty, and can remain, contemporary and relevant to customers over an extended period of time. Fourth is extendibility of a brand where-in a brand can be extended and exploited and can offer greater value than brands that are limited in their scope. Next are brand affect, brand trust and purchase loyalty, bringing in a positive emotional response, relying on ability to function along with repeat purchases of the brand, a

degree of dispositional commitment with the brand, respectively. Brands that make consumers ‘happy’ or ‘joyful’ or ‘affectionate’ achieves attitudinal commitment. Next are hedonic values as pleasure potential of a product class and utilitarian value as ability to perform functions in everyday life of a consumer. Brands that can be protected through registered trademarks, patents and/or registered designs can potentially offer greater value than those that can be easily copied. And lastly market share is defined as a brand’s sales taken as percentage of sales for all brands in the product category. These measures appear to be reliable and valid predictors of brand performance outcomes. With more work, it should be possible to arrive at even better brand loyalty indices, which can then be combined for use as one among other crucial methods of brand valuation, indicate Graham et al.

Leslie De Chernatony & Malcolm McDonald in their book ‘Creating Power Brands’ mention ‘Brand Equity is a set of associations and behaviors on the part of a brand’s consumers, channel members and parent corporation that enables a brand to earn greater volume or greater margins than it could without the brand name and, in addition, provides a strong, sustainable and different advantage’. In view of the inclusiveness of this definition, and its managerial perspective, they favored this interpretation. They state that brand equity describes the perceptions consumers have about a brand, and this in turn leads to the value of a brand. Thus they considered brand name & positioning being two important decisions. (Chernatony, McDonald,1998)

COMMERCIAL MODELS OF BRAND EQUITY GROWTH

Young & Rubicam have their own interpretation of the brand equity growth process resulting in their Brand Asset Valuator. According to their model, brand equity growth is achieved by building on four brand elements: differentiation; relevance; esteem; and

familiarity. (Young, Rubicam, 2002). All these above mentioned model and methods either discusses one perspective, or one function, or one branch, or even if more than one perspective or parameter is considered, there is found to be no linkages of goal and objective among all the perspectives and functions of an organization.

SOME FINANCIAL PARAMETERS OF MEASUREMENT

For some time, accountants have grappled with the problem of attempting to put a value on a company's brand names, and then to enter them on the balance sheet as assets distinguished from goodwill. This is technically complex. While Saunders (1990) has questioned the case for valuing brands, it is clear that many companies are now adopting this policy. Recent years have seen growing emphasis on the sale of brands as assets.

Even many advanced tools are framed on brand valuation methodologies, from 2001 Brand Valuation and Intangible Asset Valuation are being taken seriously, mostly due to United States financial reporting standards requiring acquired intangibles which can be separately identified and have separate economic lives to be valued and put on the balance sheet. All those internally generated brands and brands purchased before the new standards apply; need not to be put on the balance sheet. (Contractor, 2001) It can be noted that to-date much of the interest in brand valuation has come from accountants and valuers attempting to get a true picture of the value of companies for purposes of takeovers, mergers & acquisitions and defenses against takeovers. (Shocker & Srivastava 1991, Simon and Sullivan 1993)

Raymond Perrier in his book 'Brand Valuation' mentions few but widely used methods for accounting valuation of Brand. He states 'Sales volumes, values, market share and gross contribution levels were seen to be adequate measures of performance. Complete brand profit and loss (P/L) accounts were not thought to be necessary. Even if there had been a

demand for this level of detail, many companies did not have sufficiently sophisticated accounting systems to provide reliable profit data at the brand level'.(Perrier, 1999) But with changing times and advancement in technology several things have dramatically changed like recognition of value of brand and their separability, empowerment of brand managers, new approaches to brand portfolio management, information technology, application of activity based costing and the Garbage In, Garbage Out (GIGO) rules. But these advancements have lead to many practical problems such as allocation of revenues and cost of goods along with overheads, marketing appropriations, assessment of allocation of working capital and the value of capital assets.

THE GRAND METROPOLITAN

Perrier illustrates his point with the Grand Metropolitan case. The 1998 decision by Grand Metropolitan (GM) to put the value of its acquired brands on its balance sheet has become a land mark culminating into the Accounting Standards Board (ASB) exposure draft. Established in 1962 as a hotel and expanded to include pubs and breweries, dairies, dance & bingo halls and betting shops by 1980s, it became necessary to identify key strengths of the group, leading to its competitive advantage. Importance of brand became clear in the fact that branded products were contributing largely to GMs success.

While most valuations of intangible assets are bound to be subjective (Perrier, 1999), GMs use of 'Multiple of earnings' method for valuation of acquired brands and businesses along with the 'brand equity monitor' is one of the most exhaustive exercise involving financial measures like contribution, pricing, ad spend etc. and marketing measures such as brand awareness and market share movements. GM brand equity monitor includes a large number of market performance measures like awareness, penetration, loyalty, price elasticity, value

for money, perceived quality, overall consumer rating, key image rating, advertising investment, trade distribution and share of display. Since this information is not available to users of financial statements considering its commercial sensitivity and exhaustive detailing, end result is that real importance of brands to the business is not fully reflected in GM's financial statements, thus making it more a marketing tool rather than financial.

ROYALTY METHOD

The royalty method, describes Perrier, like premium-pricing technique, has an honorable and ancient pedigree in valuation of intellectual property. The amount a third party is prepared to pay for use of a patent or trade mark provides objective independent evidence of its value. The same is true of a brand. The license or distribution agreement usually stipulate minimum sales levels and commit the local distributor to maintaining a certain level of advertising and marketing expenditure. Often the product itself will be supplied by the brand's owner. Price charged may or may not include a margin of profit. All these conditions have a bearing on how the royalty rate is fixed and, hence, its relevance (Perrier, 1999). The economic and market conditions in overseas territories will probably differ markedly from those in the main markets where bulk of brand sales happen. In these circumstances, the royalty method, like the premium-pricing technique, will probably be an unsuitable primary valuation method.

EARNINGS BASIS

Perrier in his elaboration of the 'earnings basis' mentions that for majority of branded products earning basis will provide most realistic valuation. This is because of the way consumer preference for the brand arises. It may be because the product has a superior formulation or technical specification; it may be because packaging is particularly attractive;

perhaps it is more widely available (i.e., superior distribution); finally, it may be because of clever advertising and marketing. Often it will be a combination of some or all of these product-related factors. Appeal of the brand cannot therefore be distinguished from appeal of the product. Although the brand and the product are conceptually distinct, for valuation purposes they are inextricably linked. Once product becomes part of valuation, earnings must become dominant factor. Brand exists to promote sales of the product; product on the other hand, is there to make a profit. Profit attributable to the branded product needs to be adjusted to eliminate profit arising from factors not included in manufacture and sale of the product, from total profit. Indeed calculation of brand profit itself will be affected by assumptions used in allocation of costs – particularly overheads and advertising and marketing spend – between different products.

BRAND VALUATION PREMIUM APPROACH

According to Perrier brand valuation premium approach makes the Relief-from-Royalty methodology more rigorous by analyzing existing comparable commercial arrangements within the company and sector they are valuing and corroborating such analysis with available external comparables and understanding of commercial affordability to reach an appropriate royalty rate. Financial analysis can assess earnings between different points in value chain i.e. the brand owning entity, distributor and retailer separating the earnings applicable to the brand. Wealth of information that many companies hold internally on consumer insight alongside a detailed market analysis is the stage of this valuation methodology. (Perrier, 1999)

According to Clifton and Simmons, value of a brand is the current worth of the benefits of future ownership. In order to calculate value, one must identify clearly

1. The actual benefits of future ownership – that is, the current and future earnings or cash flows of the brand
2. The multiple or discount rate that needs to be applied to these earnings to take account of inflation and risk. (Clifton, Simmons, 2004)

The premium approach as well as the current worth of future ownership approach looks at brand valuation irrespective of its immediate, near or far future performance.

SOME INTEGRATED PARAMATERS FOR MEASUREMENT

Dave Dolak in his article 'How to Brand and Market a Commodity' mentions that to arrive at an authoritative and valid approach, number of brand evaluation models have been developed. (www.davedolak.com) Most have fallen into two categories where in research based brand equity evaluations are brand equity models that use consumer research to assess relative performance of brands. These do not put a financial value on brands; instead, they measure consumer behavior and attitudes that have an impact on the economic performance of brands. Although sophistication and complexity of such models vary, they all try to explain, interpret and measure consumers' perceptions that influence purchase behavior. They include a wide range of perceptive measures such as different levels of awareness (unaided, aided, and top of mind), knowledge, familiarity, relevance, specific image attributes, purchase consideration, preference, satisfaction and recommendation. (Aaker 1991; Kamakura and Russell 1992; Rangaswamy et al 1993) A change in one or a combination of indicators is expected to influence consumers' purchasing behavior, which in turn will affect financial value of the brand in question.

However Dolak points out, these approaches do not differentiate between effects of other influential factors such as R&D, operations, and design on the brand. A brand can perform strongly according to these indicators but still fail to create financial and shareholder value.

Financially driven approaches define value of a brand as the aggregation of all historic costs incurred or replacement costs required in bringing the brand to its current state: that is, sum of the development costs, marketing costs, advertising and other communication costs, and so on. (Farquhar, 1989 and Crimmins, 1992) These approaches fail because there is no direct correlation between financial investment made and value added by a brand.

But comparability is difficult in case of brands. Furthermore, value creation of brands in the same category can be very different, even if most other aspects of business such as target groups, advertising spend; price promotions and distribution channel are similar or identical. Comparables can provide an interesting cross-check, however, even though they should never be relied on solely for valuing brands warns Dolak.

ECONOMIC USE: Approaches that are driven exclusively by brand equity measures or financial measures lack either financial or marketing component to provide a complete and robust assessment of the economic value of brands. Economic use approach, developed in 1988, combines brand equity and financial measures, and has become the most widely recognized and accepted methodology for brand valuation. (Brasco 1988; Shocker & Weitz 1988; Mahajan, Rao & Srivastava 1990; Simon & Sullivan 1993) It has been used in more than 3,500 brand valuations worldwide. The economic use approach is based on fundamental marketing and financial principles.

Dr. Dan Herman, owner and CEO Herman Strategic Consultants, has talked about something different from SWOT analysis for brand and organization to focus – Opportunity Scan.

(www.danherman.com) 'The Opportunity Scan' or in short The O-Scan is a set of procedures and tools designed to map the full scale of opportunities that are available to the company at a certain point of time. According to him defining goals is much more meaningful, far-reaching and effective after a proper opportunity scan. Wherein questions like - what's now, what's possible, what's feasible, what's next are asked seeking answers to come up with a 'next thing', and this new things usually are:

- A new winning business concept
- A new winning competitive strategy
- A new segment that offers growth potential
- An innovative 'hit' product (or service)
- An irresistible brand strategy.

Scott Davis in his book Brand Asset Management defined nineteen metrics to consider while measuring Return on Brand Investment including: Brand name knowledge, awareness, recognition, recall, target market, contract fulfillment, personal recognition, association laddering, acquired/lost customers, market share, customer penetration/loyalty, purchase frequency, community impact, brand regard, referral index, customer satisfaction, financial value, price premium and return on advertising. (Davis, 2002)

He has also suggested eight metrics as useful in measuring the Brand Asset Management progress. But here only customer and financial aspects are covered – brand awareness, loyalty, positioning, retention, trust, advertising expenses, etc. and their conversion to financial evaluations to measure returns on investments. But there is lack of integration of all these aspects to achieve an organizational goal and subdivision or conversion of the same within various departments of an organization.

In an article in Strategic Management, JAN-FEB 2005, on Fostering Loyalty – 4 Strategic Dimensions for building a successful Loyalty Program, V. Ramkumar has tried to do something which is not done in any of the above method. (Ramkumar, 2005) Though indirectly he has mentioned perspectives of the balanced scorecard model.

1. What financial benefits should the program entail and by whom?

   Loyalty programs are not only defined with discounting the profitability aspects of the program i.e. not only with marketing & customer relationship perspectives.

2. Who to attract, and why?

   Loyalty is not just about attracting new customers, but more about retaining profitable customers.

3. What processes are required to deliver the program?

   - Complementing customer expectations by building back-end processes.
   - Preparing multiple scenarios and defining service level agreements with partners.
   - Defining documentation & control aspects of the procedures to be adopted.

4. Is the infrastructure ready?

   Clear roles for each member of the program may he be from the production, marketing, finance or IT department and retailers.

Ramkumar identifies benefits in terms of higher retention rates, better referral rates, incremental revenue, costs of servicing going down, less price sensitive customers, leading to incremental profits. ‘Growing customer awareness of loyalty program also helps: according to Retailindustry.com survey 82% of the consumers believe them to be ‘more in touch’ – i.e. reward the ‘right’ customers, rightly!’ (Ramkumar, 2005)

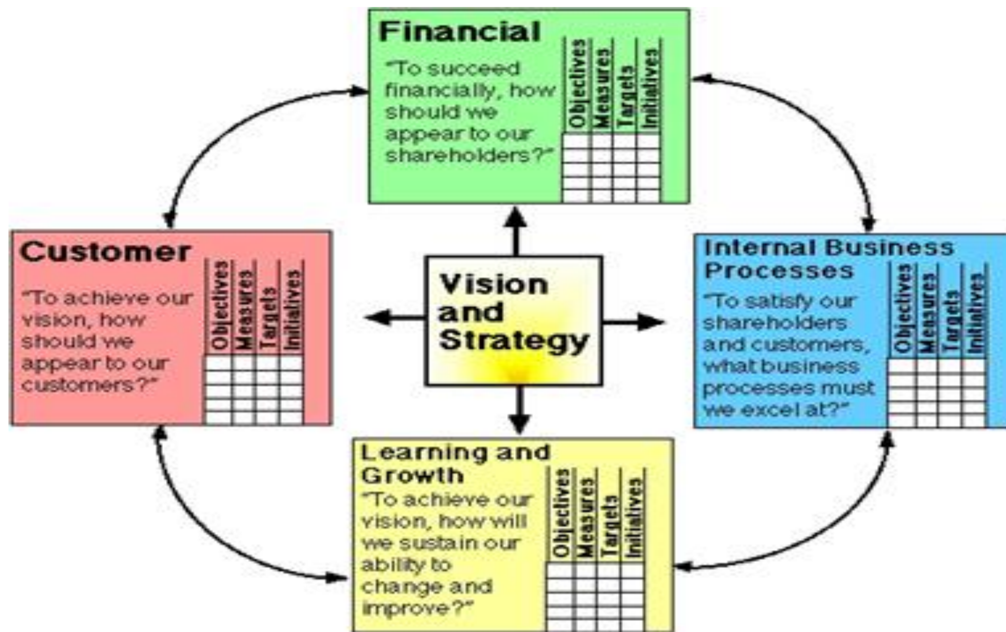
Ramkumar's major aspect of concern is customer loyalty and all other perspectives are measured for that program only instead of providing a holistic view towards the brand and its performance measurement with a strategic process.

INTRODUCTION TO BALANCED SCORECARD

Dr. Robert Kaplan and David Norton in late 1990s, developed the new approach to Strategic Management and named it the 'Balanced Scorecard.' They have identified the weaknesses and vagueness of earlier approaches to strategic management. (Kaplan, Norton, 1996) The Balanced Scorecard not only being a measurement system is more a management system. It is one of the models that take into consideration the internal business processes and the external outcomes such that a continuous improvement in the strategic performance and results can be achieved through clarity of vision and translation of strategy into action.

Kaplan and Norton describe Balanced Scorecard as, 'The balanced scorecard retains traditional financial measures. But financial measures tell the story of past events, an adequate story for industrial age companies for which investments in long-term capabilities and customer relationships were not critical for success. These financial measures are inadequate, however, for guiding and evaluating the journey that information age companies must make to create future value through investment in customers, suppliers, employees, processes, technology, and innovation.' (Kaplan, Norton, 1996)

The balanced scorecard suggests that the organization be viewed from four perspectives, and to develop metrics, collect data and analyze it relative to each of these perspectives.



The Balanced Scorecard Model

(Source: *Kaplan, Norton, 'http://www.balancescorecard.org/images/BSC.jpg'*)

MEASUREMENT-BASED MANAGEMENT

Building on management ideas like Total Quality Management (TQM), Kaizan, Empowerment, and customer defined quality etc. Balance Scorecard approach integrates the practices based on measurement and feedback. Expanding on Deming's theory on product quality improvement through internal business process analysis based on the feedback data, Kaplan, Norton model of Balanced Scorecard builds-in the feedback data on the outcomes of business strategy. Thus creating what they have called a 'double-loop feedback' process. The process for identification of key business drivers and criteria for metrics on which relevant information may then be collected, is to be based on the strategic priorities.

This feedback system provides outcome metrics with an ability to provide a factual basis for defining, strategic feedback, diagnostic feedback, performance trends, feedback on measurement methods and inputs to forecasting method and models for Decision Support

Systems. The Baldridge Criteria (1997) of fact based management confirms the need for measurement of performance. These measurements must derive from the company's strategy and provide critical data and information about key processes, outputs and results. (Kaplan, Norton, 1996 Kaplan, Norton, 2006) The performance measures or indicators need to be the measurable characteristics of products, processes, services, and operations that create and offer value to the customers, and should be selected such that they represent the factors that enhance customer, operational and financial performance.

Karunakar B. (Karunakar, 2001) offers a very lucid understanding of the Balanced Scorecard concept and its perspectives. Karunakar establishes that 'financial measures alone, fail to provide adequate guidance for the actions to be taken today and the day after to create future financial value.' Karunakar's elaboration of the four perspectives merits a deliberation at this juncture.

FINANCIAL PERSPECTIVE in a balanced scorecard helps companies in linking their financial objectives to corporate strategy. Financial objectives differ considerably at each stage of a business cycle, balanced scorecard includes three stages:

Growth, Sustenance & Harvest

- The overall financial objective for growth stage business is the percentage growth rates in revenues, and sales growth rates in targeted markets, customer groups and regions.
- In the sustenance stage businesses attract investment & reinvestment, but are required to earn excellent returns on invested capital. To maintain market share and increase it from year to year.

- The financial objective at harvesting stage is managing the operating cash flow and reductions in working capital requirements.

CUSTOMER PERSPECTIVE aims at defining the target customers and target markets. Two sets of measures used are 1, customer core measurement, consisting of market share and customer acquisition and retention, customer satisfaction and profitability; and 2, measuring customer value proposition in the form of attributes a company provides through their products and services to create loyalty and satisfaction.

INTERNAL BUSINESS PROCESS PERSPECTIVE helps identify the critical processes at which organisation must excel if they are to meet the objectives of shareholders and of targeted customer segments and addresses a generic value chain model to prepare internal business process.

LEARNING & GROWTH PERSPECTIVE; objectives in the learning & growth perspectives provide the infrastructure to enable ambitious objectives in the other three perspectives to be achieved and addresses the principal categories of employee capabilities, employee satisfaction, retention & productivity, information systems, capabilities & motivation, empowerment & alignment.

IMPLEMENTING THE BALANCED SCORECARD AT THE BRAND MANAGEMENT LEVEL

Marc Logman has derived a 'LOGMAN' model combining the proactive and reactive nature of brand management. He has explained the model considering several brand management models. More specifically he has derived LOGMAN model taking insights from Kaplan and Norton's balanced scorecard method; BCG's brand value creation method; the path analysis method; the

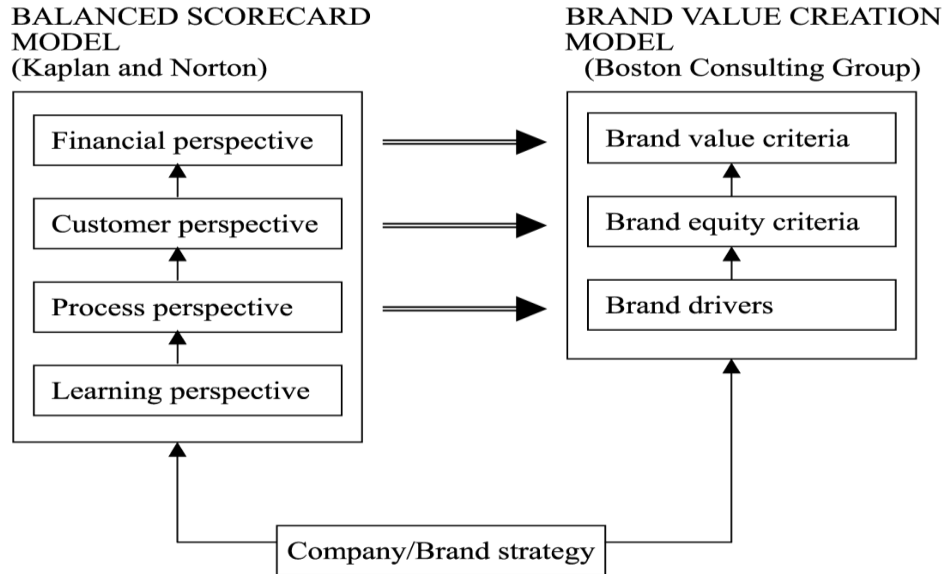
gap analysis method; and the house of quality (QFD) method. This model mainly focuses on four brand components in the balanced scorecard model perspectives and has tried to capture several relationships between these components.

The relationship between the brand strategy (decisions such as brand targeting and positioning) and brand drivers (tactical decisions such as the marketing mix), to brand equity (measured by the customers' awareness, perception, preference and purchasing behavior) and brand value (measured by increases in the price premium, increases in sales volume and the brand value transferred to other products of the company's portfolio) has been explained. These aspects are shown as a direct relationship between balanced scorecard perspectives and components of brand value creation model. Brand value criteria correspond to the financial perspective, brand equity criteria to the customer perspective and brand drivers to the process perspective. The company/brand strategy will drive the perspectives and levels in both models (Logman, 2004).

This model talks about brand value creation at several levels such as: analyzing companies brand strategies, logical consistency for different perspectives, external brand drivers, distinction between objective and perceived levels of company's brand value and customers expected and perceived levels of brand drivers, analyses of multiple customer segments, learning perspectives and marketing mix instruments.(Logman, 2004).

LIMITATIONS:

Logman has derived Brand Value Creation Model by implementing Balance Scorecard model. Where in, he has explained how logical brand management model analyses various "Companies brand drivers", "External brand drivers", different customer segments and different perspective levels to establish a brand consistency. But there is a lack of focus on performance analysis and organization structure, which author has also agreed upon as further research challenge.



(Source: The LOGMAN model: a logical brand management model, Marc Logman, Journal of Product & Brand Management, Volume 13, Number 2, 2004, 94-104)

DISCUSSION

PROPOSED BSC MODEL FOR BRAND PERFORMANCE MEASUREMENT

There are various theories, models and perspectives to Brand Performance Measurement, which help us to understand it precisely. M. Logman has tried to explain Brand Value concept by implementing Balanced Scorecard as base in his brand value creation model (Boston Consulting Group). But his inputs do face a challenge for brand performance measurement.

Looking at the spectrum of brand measurement that the Balance scorecard model provides, the authors offer the following. Balance Scorecard model adapted to offer the most comprehensive Brand Performance Measurement.

FINANCIAL PERSPECTIVE describes the value of a brand inclusive of all the costs incurred to bring a brand at a particular position:

- Operating costs - Fixed costs, Manufacturing costs, R & D, Employee

- Variable costs – marketing costs, communication costs, packaging costs, distribution costs, etc.
- Pricing – Premium price being paid by customer – extra as compared to other products.

BSC Model defines objectives & targets to be predefined and to be strictly followed using various data, reports and surveys at various stages- i.e. on a constant and continuous basis & thus communication of these objectives and targets has to be done in a very well planned manner (Debusk, Crabtree, 2006). Only then we can compare the return on various expenses and investments done directly or indirectly – particularly differentiating them into two – manufacturing costs inclusive of R & D expenses, operating and factory expenses, distribution expenses and marketing expenses including expenses on research & surveys, advertising expenses, promotional expenses, after sales services etc have to be considered.

CUSTOMER PERSPECTIVE defines the behavior of customers towards our brand. This can be tracked with various aspects/metrics:

Brand Awareness & Positioning: Measuring the awareness of brand among customers and understanding position of the brand. Tracks for estimating how and where the brand awareness & positioning can be maintained and through them it can be known whether the brand is actually performing as planned. And thus it is possible to put check and control on the performance.

Purchase Frequency & Customer Retention / Loyalty: Purchase frequency and retention along with brand loyalty has to be kept under observation to know whether our planned actions and programs are going in the right manner. Are there any positive results of these actions? How far are we from our targets? (Liu, 2007)

Apart from these major aspects an eye has to be kept on consumption patterns, purchase patterns/sophistication, existing & new customers, community impact, brand image and its recognition, brand trust for ability to perform. All these aspects are to be taken into consideration while considering customer perspective and that to on a constant & continuous basis in consonance with financial perspectives and predefined targets.

INTERNAL BUSINESS PERSPECTIVE as compared to prior two perspectives is not having any direct or visible effect on brand performance, but a brand is related with an organization and thus to its processes. For e.g. communication process if not managed properly and correctly whether from top to bottom or any other way, it may create a very different picture of a brand or sometimes fail to create the decided one. Even communication of objectives throughout the organization in the form of sub goals is essential. Thus one has to be very careful about this aspect to measure the brand performance chart. As said in BSC model there are three major processes.

Operations relate to the internal organizational activities that continuously add value to the product in terms of quality of product, process time, distribution process, delivery time etc. Assessment should be performed on Services – pre & post sales services, warranty, repairs, credits etc to establish process conformity. R&D should focus on – researches, surveys, new technologies, innovations that can be incorporated into strategic planning of the business.

Processes for each and every department has to be very well defined along with their routes, time frame, cost, quality of work, documentation and reporting processes, everything has to be accurate and very perfect to generate and maintain a brand performing well.

LEARNING & GROWTH PERSPECTIVE; To manage and maintain a brand leading towards a predefined goal the very first thing required is the clarity of goal in such a way that it can

easily be converted in to sub goal for each and every member of the organization. This will help them to remain conscious and updated about their progress towards the goal achievement. An organizational goal can be achieved only when everyone in the organization feels an association towards it, and they work at the same pace, with the same methods and systems. This is not limited only to marketing division but for each and every department. Along with these factors other factors like, employee motivation, satisfaction, capabilities, productivity and retention are also to be considered.

CONCLUSION

With the advent of technology and sophistication in processes, it now becomes feasible to obtain a huge variety and quantity of data and process the same into sensible information, thereby providing the building blocks in the form of performance measures on different counts for the brand. While in this submission the authors do not largely delve upon the defining of specific parameters within each balanced scorecard perspective, it is amply evident that very accurate measurement tools and techniques are available for evaluating performance on particular parameters in each perspective. By following the balanced scorecard model one gets a referral point at each juncture of brand performance estimation. The exhaustive nature of the model possibly offers the most comprehensive and hopefully the most accurate measurement of brand performance.

LIMITATIONS AND FUTURE RESEARCH

This is a thematic presentation based on conceptual analysis and thus is purely a theoretical research paper. A detailed empirical analysis from real life data is needed to establish the foundation of the theory presented. The concept presented can be taken forward in a practical

real life situation and results obtained through such a research should be used to establish the theory.

MANAGERIAL IMPLICATIONS

The construct presented once established through empirical research would enable managers to evolve a comprehensive model for brand performance measurement under varied conditions and situations. The model would offer flexibility of application for a variety of industries, product or service categories and encompass practically all the aspects of managerial decision making. Considering managerial implication in an organization for financial, marketing, internal business and learning & growth perspectives, there are specific implications which may be drawn/derived towards each function.

The financial perspective leads to a focus on activity based costing, which is emphasized as per the model. An analysis of cost can be done in terms of pre-marketing cost, marketing cost and post sales costs, where one need to define the basis of costing that would help establish implication of the same.

For marketing perspective, an organization can take maximum support of IT and develop a strong database where-in software based strategies on CRM can be developed which can record huge amount of information of interactions with customers and the same can then be provided as inputs for better development of marketing perspective for the organization.

The internal business perspective is related to manufacturing and operations of the organization. A systems approach implementation would lead to high efficiency of production and operations. Standard operating procedures with detailed process descriptions when developed and disseminated across organization would lead to success of the organization.

Lastly, the organization climate and organization culture together give very positive boost to an organization which is very important for the learning and growth perspective. If employee motivation is maintained very well, that is, high motivation to help the employees and proper training given to employees, ultimately would lead to high efficiency of service towards customers and ultimately success for the organization. All operations and functions should be driven by goals and objectives which necessarily have to be derived from the vision and mission of the organization.

Thus a Balanced Scorecard approach to brand performance measurement would offer a clear understanding of the errors and omissions in day to day functioning as also long term performance of the organisation and its brands.

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