

BABEȘ-BOLYAI UNIVERSITY
Faculty of Economics and Business Administration

MARKETING PERFORMANCE OF SMEs

– ABSTRACT OF THE PhD THESIS –

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Keywords

Marketing performance, marketing performance measurement and management, maturity measurement models, SMEs, Romania, structural equation modeling

Introduction

Motivation of the research

The recent period represented by the years following the accession of Romania to the European Union, followed by economic recession, meant a period of both opportunities and challenges for companies in Romania, especially for small and medium enterprises (SMEs). Managing such opportunities and challenges requires sound capabilities and high performance in business generally and in the marketing process in particular. If in case of large companies or multinationals we can assume the existence of well-articulated practices, tools and performance management systems in marketing, we believe that in the case of SMEs, these practices are less developed.

The motivation for choosing this topic is reflected in the professional experience of the author. As a performance management consultant, I have had contact with entrepreneurs, managers and marketing professionals in SMEs on the one hand, and large or international organizations on the other. This way I have observed the differences in the maturity of management and marketing practices in these two types of organizations, but also the fact that the premises or favorable factors exist for the progress of SMEs from this point of view (marketing education, opening on the entrepreneurs' side, contact with foreign markets, the formation of communities etc.). Later, in my activity as a marketing specialist I found these beliefs confirmed; and my work also strengthened the desire to combine the two areas (performance management and marketing) in a research project designed to contribute to the strengthening of marketing practices in SMEs and increase marketing performance in these organizations.

Research problem

The Marketing Science Institute from the USA (MSI) (2008) ranked responsibility for marketing activities (the concept of *marketing accountability*), return on marketing investments and performance measurement systems in marketing among the top priorities in theoretical research in the domain of marketing after 2002 and as the highest priority in the period 2008-2010. This has led to a great number of contributions in the field of measurement and management of marketing performance, a relatively young branch of marketing literature.

Mostly, however, the models proposed in the literature dedicated to the measurement and management of performance either do not have a specific target audience, or they have targeted or

included research conducted in large organizations. Therefore, there is a need to develop new models, or refine existing models of marketing literature, so that they can be used to describe the marketing practices in small companies (Moriarty *et al.*, 2008). In the literature dedicated to SMEs, elements concerning marketing performance management are discussed (see Wittstein & Keung, 2002 Garengo & Bernardi, 2007; Cocca & Alberti, 2010 Brooks & Simkin, 2011), however we cannot identify a model to explain this construct from a holistic perspective and to allow assessment of an SME in terms of this competence or organizational process. Thus, we propose an explanation of the maturity of marketing performance management in SMEs, through a theoretical model outlined based on the dimensions of marketing performance management identified in the literature, and evaluation of this theoretical model through the empirical study of SMEs. Also, as a practical contribution, we propose a marketing information system that provides a framework for self-evaluation, analysis and optimization of marketing performance management in SMEs.

Research objectives

In this context, our research objectives are the following:

- The identification of dimensions that explain the construct represented by the maturity of marketing performance management;
- The qualitative exploration of these dimensions at the level of SMEs;
- The examination of the links between the construct of interest and each of the explaining dimensions.

Structure of the thesis

The first chapter, "Marketing performance management – conceptual delimitations" contains an introduction into the field of interest, presenting – from an evolutionary perspective – the most important contributions to this branch of marketing literature and clarifying concepts related to performance in organizations: performance measurement, performance management, performance management tools (performance indicators, dashboards, marketing performance measurement and management systems etc.).

The second chapter, entitled "Domains and models of marketing performance management" provides an in-depth literature review, exploring models and conceptualizations of performance, in relation to specific areas of the marketing process. The framework of the analysis is provided by the model of productivity in marketing (Rust *et al.*, 2004), based on which approaches and models

of performance management are identified and discussed, from marketing strategy, continuing with the elements of the marketing mix, consumer behavior, marketing assets (customers and brand), market and competitive position and finally the impact of marketing on financial performance and company value.

The third chapter, "Marketing performance of SMEs" approaches, from a theoretical perspective, characteristics of marketing in SMEs, as well as specific aspects of measurement and management of marketing performance in these organizations. Also, practical aspects regarding the situation of SMEs in Romania are presented.

The fourth chapter, "Research methodology" details the methodological decisions underlying our research. Research objectives, research philosophy, research strategy and methods, tools for data collection and analysis techniques used in relation to each of the two primary researches are presented. Also, the theoretical model of marketing performance management in SMEs is explained and research hypotheses are formulated.

The fifth chapter, "Findings of the empirical studies regarding marketing performance of SMEs" presents the results of the two empirical researches. The chapter begins with the results of the content analysis of interviews with 18 marketing experts in SMEs. Then the unidimensionality and reliability of the measurement scale used to collect quantitative data for the maturity of performance management in marketing are analyzed. The theoretical model is evaluated following the steps of confirmatory factor analysis as a method of modeling structural equations and research hypotheses are tested.

The paper concludes with a chapter presenting the conclusions and main contributions of our research project, as well as its limitations and some possible directions for future research.

Chapter 1 – Marketing performance management - conceptual delimitations

The traditional approach in the context of marketing performance is that of evaluation and control of marketing activities. This approach, as its name suggests, focuses on the measurement and evaluation of the marketing activities' results, the aim being that of reporting for control. As suggested by Philip Kotler, "marketing people have traditionally focused on sales, market share and sales margins to set goals and assess performance" (Kotler, 2003: 133). Currently, the terminology used in the literature is one of measurement and management of performance in marketing. One possible reason for this is the increasing consolidation of the discipline of performance management (at organizational or individual levels) and the focus on improvement.

A summary of the specialized literature indicates at least three approaches to the measurement and management of marketing performance, namely a resource-based view, the role of marketing as a strategic resource claiming a greater focus on marketing performance (Hooley *et al.*, 2005 Fine 2009, Nath *et al.*, 2010), an approach based on responsibility for marketing actions and budgets (Dunn & Halsall, 2009; Kumar & Shash, 2009, McDonald, 2010) and an approach based on the limits of financial indicators, indicators that provide a past perspective on performance, lacking a predictive nature (Ambler, 2003; Munoz, 2005).

It is worth mentioning that we cannot identify a universally accepted understanding in relation to the term marketing performance management and in relation to what this process involves in an organization. For example, the American Marketing Association (AMA) defines marketing performance management as "the practice of managing marketing effectiveness and value by aligning people, processes and systems to a common set of goals and objectives" (Patterson, 2007: 271). We believe that, from this point of view, practical difficulties may arise in managing marketing performance, like the precise determination of the marketing activities' results (compared to the results of the sales department, for example) or a clear definition of what the performance management process in marketing means (at a level of practices, tools, roles). Thus, the field is vast and relatively poorly outlined in the literature, which, in our opinion, causes practices to be fragmentary. However, we believe that there are some important issues to be clarified in the context of marketing performance management, namely:

What sub-processes or practices does a performance management process in organizations involve?

In a broader sense, performance management is considered to be a global process regarding the performance of an organization, meaning planning, measurement, reporting and analysis of results and improvement decisions. Performance measurement is a component of performance management, which includes "the identification, monitoring and reporting of performance results by means of performance indicators" (Brudan, 2010: 111). It is considered that the actual value of performance measurement is not at a level of indicators or reports, but in the decisions and actions determined by the exploitation of results (Neely *et al.*, 1995, quoted by Meekings *et al.*, 2009: 13).

What tools are used in the performance management process?

The most popular tools are:

- Performance indicators in marketing, which are defined by Kotler *et al.* (2009) as a set of measures that help companies quantify, compare and interpret their marketing performance.
- Tools such as *scorecard* and *dashboard*, which belong to the area of *business intelligence* (BI) solutions. They are essentially forms of BI that allow the processing of large amounts of data and the generation of reports containing indicators calculated on the basis of these data (Rasmussen, Chen & Bansal, 2009).
- Marketing performance management systems (MPMS), which are systems that deal with "the evaluation of business performance determined or influenced by marketing" (Lamberti & Noci, 2010: 141). A performance measurement system is defined as a set of tools used to quantify the efficiency and effectiveness of past actions, enabling informed decisions and actions (Neely, Gregory & Platts, 1995). But such a system does not only consist of the suite of indicators, but also includes other elements: people, procedures, data / information, software and hardware (Wettstein & Kueng, 2002).

Chapter 2 – Domains and models of marketing performance management

An analysis of the specialized literature allows a certain level of delimitation of marketing performance management domains, however, only in the context in which different authors propose different approaches, more or less extensive or, more or less detailed. Perhaps the most complete model of marketing performance measurement is proposed by Rust, Ambler, Carpenter, Kumar and Srivastava (2004), a model built on the foundation represented by the concept of marketing productivity, a concept that, in the opinion of the above mentioned authors, refers to the way in which marketing activities lead to the creation of value for shareholders. The authors (2004) propose a framework for the measurement of marketing productivity, reflecting the stages through which marketing brings value to the company. This chain of marketing productivity allows the analysis of how non-financial marketing indicators lead to financial results on the short and long term, elements of the chain being: marketing strategies and, depending on them, tactical marketing actions have impact on customers (in terms of attitudes, behavior etc.); the impact of marketing on customers influences the company's position on the market; the competitive position determines financial results and, consequently, the impact of marketing on the value for shareholders.

Based on this framework, an analysis of contributions to the literature is carried out, in relation to each of the dimensions of the chain of value creation in marketing:

We analyze the strategic role of marketing in terms of the establishment of the company's strategic direction and the control of marketing investment in order to create marketing assets that provide sustainable competitive advantage (Rust, Lemon & Zeithaml, 2004). Also, an important element that occurs in the context of the evaluation of marketing strategies is the marketing audit. Kotler, Gregor and Rodgers (1977) define marketing audit as a comprehensive, systematic, independent and periodic examination of the environment, objectives, strategies and marketing activities in order to determine issues and opportunities and to propose a plan to improve the marketing performance of the organization.

At the tactical level, we review performance in relation to the components of the marketing mix, the authors of reference in this context being Ambler (2003) and Reibstein *et al.* (2006), who provide comprehensive catalogs of performance indicators of the elements of the marketing mix. From the perspective of the impact of marketing on consumer behavior, we reflect on the "chain awareness - attitudes - consumption" (Reibstein *et al.*, 2006), but also on other approaches to observable and unobservable indicators of consumer attitudes and behaviors (Gupta & Zeithaml, 2006).

Regarding marketing assets represented by clients and *brand*, we realize an analysis of the most popular methodologies for measuring the performance of a brand (*brand valuation*) (Keller, 1998; Walker, 2002; Ambler, 2003) and the value of the customer portfolio, through methodologies such as: customer lifetime value (Gupta *et al.*, 2006; Pelau & Fufezan, 2009) or relational marketing performance (Lages *et al.*, 2008).

At market level, we discuss performance with reference to popular indicators such as market share and its derivatives (Reibestein *et al.*, 2006, Kotler, 2011). Finally, from a financial perspective, we address both the performance in relation to investments in marketing and marketing impact on company value (Fine, 2009; Reibestein & Pauwels, 2009, Morgan, 2012).

Finally, we introduce the concept of maturity models, as systems used to evaluate maturity (competence, level of sophistication) of a domain or an organizational process based on a set of criteria more or less articulated (de Bruin *et al.* 2005). According to Saco (2008), maturity models should encourage organizations towards achieving higher levels of performance. As such, we consider that maturity models can be an important element in enhancing organizational performance, by facilitating the evaluation of a process and providing reference points for improvement. The framework provided by what the management literature identifies as maturity models constitutes a basis for our conceptual model for marketing performance management maturity in SMEs and for the proposal of an informational marketing system for SMEs, providing tools for self-evaluation, maturity analysis and recommendations for improvement.

Chapter 3 - Marketing performance in SMEs

The literature highlights a number of challenges for SME on management and marketing level and on a general level of the organizational processes, including aspects such as (Goffee & SCAS, 1995): weaker management capabilities, limited financial control mechanisms, changes in the market, issues at an operational level, competition regarding prices, instability at a level of contracts, etc. Furthermore, the planning and implementation of marketing activities are limited by obstacles, such as limited financial resources and limited marketing / human resources expertise (Huang & Brown, 1999). In this context, marketing in SMEs has an informal dimension (Gilmore, Carson & Grant, 2001), decisions are made predominantly by the manager-entrepreneur, seemingly chaotic. Other similar concepts attributed to marketing in SMEs are being spontaneous, unstructured, reactive or even chaotic (Reijonen, 2010).

Given that these organizations represent over 99% of the business sector (European Commission, 2013), generating the largest part of GDP, providing employment for a large part of the workforce and generating a large proportion of innovations with impact on the economy (Consiliul Național al Întreprinderilor Private Mici și Mijlocii din România (National Council of Small and Medium Enterprises in Romania, 2012), their performance is critical. Regarding the measurement and management of performance in SMEs, it is considered that, in general, the component represented by financial indicators is well developed, but other strategic or operational indicators are used ad-hoc and not in a formal, well-articulated structure (Hudson, Lean and Smart, 2001). In other words, performance measurement systems and efforts in SMEs are regarded as largely informal, little articulated and significantly directed by the financial component. It is estimated that "limited resources and cash flow, coupled with lower customer base and with a current performance-oriented mentality, plus possible staff fluctuation, coupled with a horizontal hierarchical structure determine that SMEs require a different approach in terms of performance management from a strategic perspective" (Hudson *et al.*, 2000, quoted by Hudson, Lean & Smart, 2001, p. 806). Moreover, it is estimated that SMEs operate in a reactive manner, therefore the level of strategic planning is not an extensive one, and neither is the formal decision-making processes (Garengo & Bernardi, 2007).

From the perspective of marketing performance, we can mention the study by Brooks and Simkin (2011), which identifies a number of aspects or difficulties of the marketing activity of SMEs, comparing them to those of large organizations, issues regarding data access, short-term orientation and limits in operation generated by limited resources and knowledge.

We conclude that, overall, performance measurement in SMEs in general and marketing performance, in particular, require an approach addressing issues such as: the existence of an articulated approach, with processes of planning, measurement, reporting, analysis and exploitation of results; the inclusion of financial indicators, but also of non-financial ones, to allow identification of the causes of poor performance or the anticipation of future results; a strategic dimension, not just short-term orientation; exploitation of results in decisions and actions; performance management as a participatory process with the support of management and involvement of employees.

Chapter 4 - Research methodology

In terms of research philosophy, our project falls within the area of pragmatism (Patton, 1990, Morgan, 2007), philosophy in which the focus is on the research problem and which involves the use of multiple approaches and methods in order to gain knowledge about this research problem. Corresponding to pragmatism, the research methodology is a mixed one, including qualitative research and quantitative research combined in a form of sequential mixed research (Creswell, 2009).

Table 1 Design of the research project

Research philosophy	Pragmatism
Research strategy	Sequential mixed research
Data collection method	1. Semi-directive interview 2. Survey
Means of contact	Both interview and survey were conducted face to face
Data collection tools	1. Discussion guide 2. Questionnaire
Data analysis techniques	1. Content analysis 2. Factor analysis

(Source: Authors, 2013)

The primary qualitative research was conducted by means of the semi-directive interview method (Pop, 2004). Having already identified a number of dimensions of marketing performance management in SMEs in the specialized literature, we have defined an interview guide in advance, guide covering topics to be addressed during the interview: how Romanian professionals perceive performance in marketing (how they define it, concepts and tools they know etc.) and how they measure and manage performance in marketing (what aspects are measured, for what purpose, how they select, measure, communicate and exploit marketing performance indicators and results). Interviews were conducted in the period May - December 2012 and included 18 participants. Through content analysis of interviews (in conjunction with the results of the secondary research of the literature) we project a conceptual model for the measurement of the maturity of marketing performance management in SMEs, we formulate research hypotheses and

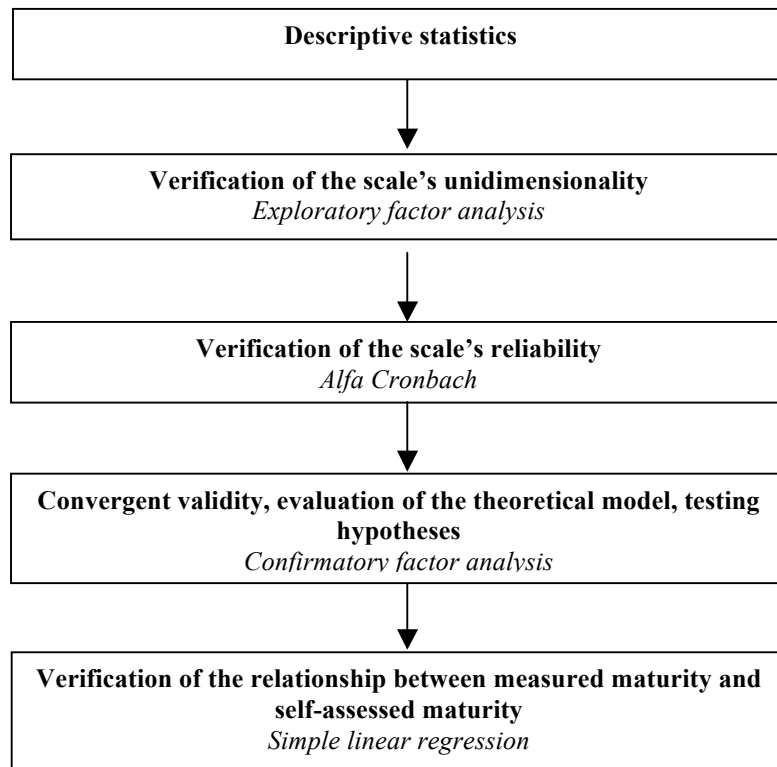
develop the quantitative data collection instrument type measurement scale (DeVellis, 2012). In this model, the construct represented by the maturity of the marketing performance management is explained by ten dimensions related to planning, measuring and analyzing marketing performance, as sub-processes of marketing performance management, as follows:

- Use of marketing objectives (planning of marketing performance) (Garengo & Bernardi, 2007);
- Alignment of marketing strategy to overall business strategy (Cocca & Alberti, 2010);
- Use of marketing activity plans (operational planning of marketing) (Cocca & Alberti, 2010; Brooks & Simkin, 2011) ;
- Measuring marketing performance through data collection mechanisms and monitoring of marketing results (Wittstein & Kueng, 2011; Brookins & Simkin, 2011);
- Use of performance indicators in marketing (Hudson, Lean & Smart 2002; Cocca & Alberti, 2010);
- The use of performance measurement tools in marketing (Cocca & Alberti, 2010);
- Reporting of marketing results (Cocca & Alberti, 2010);
- Consideration of marketing results in decisions and actions (Gerengo & Bernardi, 2007; Wittstein & Kueng, 2011);
- The purpose of monitoring marketing performance (Wittstein & Kueng, 2011);
- Relationship of marketing with other departments and the collaborative dimension of the marketing performance management process (Wittstein & Kueng, 2011; Cocca & Alberti, 2010).

Primary research is accomplished through quantitative survey (Pop, 2004). The research tool of type questionnaire contains 10 items (observed variables in the maturity of marketing performance management), each item being measured through statements on a scale from 1 to 4, corresponding to maturity levels. Also, since the validation items should be included in the measurement scales (DeVellis, 2012), our tool also contains an item of self-evaluation of the perceived maturity of how marketing performance is managed within the organization to which the respondent belongs. The statistical population is represented by the totality of companies in Romania, the reporting unit being represented by marketing specialists and general managers of these companies. For organizational reasons, the selection of respondents was arbitrary, including individuals belonging to the target population studied by us, but also in a chain, with the help of previous respondents. Therefore the sampling method is one of convenience combined with the "snowballing" technique (Pop, 2004). The total number of participants in the survey is 85, which is also the total number of

valid questionnaires. Figure 1 describes the stages of the statistical analysis performed to evaluate the theoretical model and verify the research hypotheses.

Figure 1 Stages in the statistical analysis



(Source: Authors, 2013, adopted from Brahma, 2009)

Chapter 5 – Findings of the empirical studies regarding marketing performance of SMEs

Findings of the qualitative research

Overall, while benefiting from a limited number of respondents, the qualitative study allows the identification of issues regarding performance management in the organizations of the respondents. We assess that:

In general, there are concerns and concepts and tools specific to this area are known, notably the specific online marketing tools with an *analytics* component. Also, about online marketing, we can say that is the most favorable performance measurement domain, both regarding the nature of the activities and the tools available.

Performance management approaches vary regarding the level of articulation (from informal approaches to monitoring of results to complex systems of performance management), but also regarding the level of coverage (diversity of areas or aspects monitored). Regarding technology support, Microsoft Office is the most accessible option, dedicated software solutions not yet being introduced.

There are different challenges, especially with regard to data access and availability of human resources and required time. There is an opportunity to transition from a basic or early level of marketing performance management practices towards a structured approach, starting from the business strategy and enabling the assessment of marketing's contribution to success. The stated goal of marketing performance management is predominantly related to optimization, improvement.

Findings of the quantitative research

Exploratory factor analysis revealed a single factor that explains 62.44% of the variability in the original variables, all 10 items being retained as the individual values are greater than 1 (Kaiser, 1960). In addition, we check the *factor loadings* to validate the convergence requirement of the 10 items at factorial level. All factor loadings coefficients have values greater than 0.7, validating the requirement of factorial convergence (Brahma, 2009). Also, our measurement tool meets the requirement of reliability (Cronbach alpha = 0.932 > 0.7).

Once the unidimensionality and reliability of the measurement scale are at a satisfactory level, convergent validity can be verified by means of confirmatory factor analysis. On the other hand, confirmatory factor analysis as a method of structural equation modeling (SEM) provides a

statistical criterion to evaluate how well the collected data fit the specified theoretical model (DeVellis, 2012). Basically, the purpose of SEM is to determine the extent to which the theoretical model is supported by the sample data (Schumacker and Lomax, 2004), for this the specified model can be tested statistically by a simultaneous analysis of the entire system of variables. If the data set collected has a satisfactory level of correspondence (*goodness-of-fit*) to the theoretical model, the model supports the relationships between variables that were specified (Byrne, 2010).

We carry out the steps of confirmatory factor analysis: model specification, identification, parameters estimation, model testing (the "fit" of the variance-covariance matrix of the sample to the specified model). We specify the model twice, taking into account the correlations between errors and obtain a model that meets the recommended parameters. Thus, our confirmatory factor analysis reflects a scenario of model generation as described by Jöreskog (1993). Based on indices of "fit" of the data set to the theoretical model, we re-estimated the originally specified model and obtained a model showing satisfactory levels for these parameters, thus being able to appreciate that the data collected fit our conceptual model.

Also, all regression coefficients estimated by the method of maximum likelihood are significantly different from zero at a threshold of significance of 0.001 (1%) and are positive. Thus, between each of the ten dependent variables and the independent variable represented by the maturity of marketing performance management a direct, significant and positive relation exists. The simple linear regression between the variable that represents the average of responses to the questionnaire for each individual (independent variable) and the variable representing the value entered by the respondents to the question of validation, or otherwise, global self-evaluation of the maturity (dependent variable) indicates a significant, direct and positive relation between the level of maturity of marketing performance management measured by means of the ten items and the self-assessed maturity level of each individual respondent. This result proves that the scale used to determine the maturity of the marketing performance management process in the organizations surveyed is closely related to the level of maturity evaluated by each respondent. Table 2 summarizes the testing of the research hypotheses.

Table 2 Summary of results from the research hypotheses testing

Hypothesis	Result
H1: <i>There is a direct, positive and statistically significant relation between maturity of marketing performance management and the use of marketing objectives.</i>	Confirmed: a statistically significant ($p = 0.001$) effect has been identified between the two variables. The value of the regression coefficient is positive ($\alpha=1.000$).
H2: <i>There is a direct, positive and statistically significant relation between maturity of marketing performance management and the level at which marketing strategy is aligned with the business strategy.</i>	Confirmed: a statistically significant ($p = 0.001$) effect has been identified between the two variables. The value of the regression coefficient is positive ($\alpha=0.876$).
H3: <i>There is a direct, positive and statistically significant relation between maturity of marketing performance management and the use of marketing plans.</i>	Confirmed: a statistically significant ($p = 0.001$) effect has been identified between the two variables. The value of the regression coefficient is positive ($\alpha=1.157$).
H4: <i>There is a direct, positive and statistically significant relation between maturity of marketing performance management and the degree to which there is a process of collecting data on marketing activity.</i>	Confirmed: a statistically significant ($p = 0.001$) effect has been identified between the two variables. The value of the regression coefficient is positive ($\alpha=1.256$).
H5: <i>There is a direct, positive and statistically significant relation between maturity of marketing performance management and the use of marketing performance indicators.</i>	Confirmed: a statistically significant ($p = 0.001$) effect has been identified between the two variables. The value of the regression coefficient is positive ($\alpha=1.130$).
H6: <i>There is a direct, positive and statistically significant relation between maturity of marketing performance management and use of data management tools in the marketing activity.</i>	Confirmed: a statistically significant ($p = 0.001$) effect has been identified between the two variables. The value of the regression coefficient is positive ($\alpha=0.836$).
H7: <i>There is a direct, positive and statistically significant relation between maturity of marketing performance management and the degree to which there is a process of reporting marketing results.</i>	Confirmed: a statistically significant ($p = 0.001$) effect has been identified between the two variables. The value of the regression coefficient is positive ($\alpha=1.390$).
H8: <i>There is a direct, positive and statistically significant relation between maturity of marketing performance management and the degree to which marketing results are considered in decisions and actions.</i>	Confirmed: a statistically significant ($p = 0.001$) effect has been identified between the two variables. The value of the regression coefficient is positive ($\alpha=0.987$).
H9: <i>There is a direct, positive and statistically significant relation between maturity of marketing performance management and the degree to which the aim of the measurement of marketing performance is to improve the performance.</i>	Confirmed: a statistically significant ($p = 0.001$) effect has been identified between the two variables. The value of the regression coefficient is positive ($\alpha=1.236$).
H10: <i>There is a direct, positive and statistically significant relation between maturity of marketing performance management and the degree to which marketing performance management is a collaborative process in the organization.</i>	Confirmed: a statistically significant ($p = 0.001$) effect has been identified between the two variables. The value of the regression coefficient is positive ($\alpha=1.377$).
H11: <i>There is a direct, positive and statistically significant relation between maturity of marketing performance management measured by means of the ten variables in the conceptual model and self-assessed marketing performance maturity.</i>	Confirmed: a statistically significant ($p = 0.001$) effect has been identified between the two variables. The value of the regression coefficient is positive ($\alpha=1.304$).

(Source: Authors, 2013)

Chapter 6 - Conclusions

Our research addresses the issue of marketing performance management in SMEs. Through a sequential mixed research, we develop and test a conceptual model for the measurement of the maturity of marketing performance management in SMEs. Essentially, based on an analysis of relevant literature, we identify ten major coordinates of the marketing performance management process or explanatory variables of marketing performance management maturity in SMEs. These dimensions identified in the literature allow us to develop a conceptual model for measuring marketing performance management in SMEs and to formulate hypotheses about the links between marketing performance management maturity and each of the ten variables. Following the statistical analysis, we conclude that empirical data support our theoretical model and the research hypotheses formulated are validated, which brings important contributions both in regard to the specialized literature and to the practice.

Theoretical implications

Essentially, our research addresses a relatively young and highly topical domain, marketing performance management at the level of a business segment, that of SMEs, which, as was pointed out at other occasions, has not yet enjoyed special attention from researchers. Our research, therefore, makes a contribution in a currently relatively poorly represented area of the specialized literature. The objective of our research was to propose a conceptual model for the measurement of marketing performance management maturity in SMEs. Based on previous theoretical contributions in the field, a conceptualization of the concept of marketing performance management maturity has been developed, explained by a set of ten variables. Relations between our construct of interest, marketing performance management maturity, and each of the ten variables were formulated in ten hypotheses. Through statistical analysis and structural equation modeling relations postulates are validated and the proposed conceptual model is evaluated, the collected data supporting this model.

It has been proved that marketing performance management maturity in SMEs is explained with different intensities by the ten dimensions identified. Dimensions that have the greatest influence in the theoretical model include: the existence of a process of reporting marketing results, the collaborative dimension of the performance management process in marketing and the existence of a process and data collection mechanisms. Thus, our research indicates that future studies should address these three aspects in particular. Dimensions of medium influence in explaining marketing performance management maturity in SMEs include: the target of marketing

performance measurement, the existence of marketing plans, the use of performance indicators in marketing and the use of marketing objectives. Finally, the dimensions of less influence in explaining the marketing performance management maturity in SMEs include: aligning marketing strategy to the organization's overall strategy, the use of data management tools in marketing and the exploitation of results in the decision making process.

The study is thus the first study that attempts conceptualization of the construct represented by the maturity of marketing performance management in SMEs and paves the way for future research efforts aimed at refining the scale for measuring the maturity of performance management and its validation through longitudinal studies.

Practical implications

Evaluation results of the theoretical model developed and the validation of research hypotheses allow us to use these results in the proposal of tools to be used in practice by managers and marketing specialists in SMEs. In this context, we propose a marketing information system (Pop, 2004) to provide these professionals with the framework and tools necessary for self evaluation, analysis and improvement of marketing performance management in the organizations they belong to. The marketing information system conforms to the typology of maturity models with the following 4 levels of maturity:

1. *Initial / ad-hoc* – the lowest level of maturity. There is a process of measurement and marketing performance management or, if they exist, such practices occur ad-hoc (where marketing itself is a defined process or a department in the organization).
2. *Emergent* - there are concerns in relation with measurement and management of marketing performance. Practices are defined or begin to be defined, but there is no structured and functional process of marketing performance management.
3. *Defined* - marketing performance management is a defined and relatively consistent process. However, practices are not fully optimized, integrated and / or the alignment with the system and business strategy is not complete.
4. *Optimized* - the highest level of maturity. The marketing performance management process is well articulated, has a strategic dimension and is aligned to the system and business strategy.

This marketing information system can be used by managers, marketing specialists or consultants for evaluation or self-assessment of the approach to marketing performance management and the practices used, within a broader context of performance analysis respectively performance improvement, which implies the following:

- Evaluation / self-evaluation regarding marketing performance management maturity using the proposed evaluation tool;
- Inclusion of the organization into one of the four stages of maturity, based on the scores reached according to the assessment instrument;
- A more detailed analysis of the practical aspects covered by the assessment tool. The goal is to identify specific areas for improvement;
- Measures taken to optimize marketing performance management. The system proposed by us includes a series of recommendations for managers regarding the transition to higher levels of maturity.

Research limitations

A first limitation concerns structural equation modeling, a method that was the basis for to the evaluation of our conceptual model. Although research methods using structural equation modeling (SEM) enjoy a growing popularity among researchers, there are some reservations regarding these methods. The flexibility of this approach - one of the recognized benefits of SEM - is seen as a disadvantage at the same time, as this flexibility can create more opportunities to make poor decisions (DeVellis, 2012). In essence, a researcher also needs common sense and logic in order to take the best decisions, analyses only serving as guides to the decision-making process and only providing evidence to support these decisions (DeVellis, 2012).

Other limitations of the research, in relation to the quantitative study conducted, are the ones related to sampling. In relation to sampling techniques two non-probabilistic methods were used - convenience sampling and "snowballing" - which is generally considered to create limits to the research methodology. However, this limit was essentially due to objective reasons, namely the fact that the typology of the target population has not enabled an exhaustive list of elements of this population amenable to probabilistic sampling. We tried to identify data sources to provide a complete basis for survey, but given the typology of the target population (the totality of companies in the category of SMEs in Romania), this was impossible.

Furthermore, another aspect relates to the size of the sample. In general, it is considered that larger samples increase the degree of generalization of the findings obtained by factor analysis. This is also recommended in structural equation modeling, a method that works with large samples (Kline, 2011). In our study, we have partially reached our target number of sample, due to organizational limitations and because of the respondents' profile, them being professionals in companies, not individual consumers. We emphasize that the target population is made up of legal persons (we have surveyed 85 businesses, companies with marketing activities and departments).

Also, since we have used the face-to-face method as means of contact for the questionnaire, the businesses surveyed were in the counties Cluj, Maramureș, Bistrița-Năsăud, Alba and Bihor. Due to organizational limitations, it was not possible to conduct a survey at a national level.

Future research directions

From the above mentioned limitation regarding the validity of the scale results the most important research direction, namely the replication of the study with additional samples, which would ensure its longitudinality and a solid validation argument.

Another important research direction concerns the development of case studies on the application of the information system regarding the marketing performance management maturity in specific organizations, in order to identify the impact this can have on marketing performance diagnosis and improvement.

Finally, no less devoid of interest is the continuation of research in order to investigate possible causal links between a certain level of maturity in marketing performance management (measured by means of our model) and overall business performance (financial results, position on the market, growth rate etc.). In other words, we believe that a major direction for further research would be to conduct quantitative studies aimed at collect data designed to classify SME's in a level of maturity (using the measuring instrument developed by us) and also data to reflect the overall performance (e.g. financial results). Using structural equation modeling (causal models, this time), the aim should be to validate possible links between marketing performance and overall business performance.

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