Journal of Business, Economics and Finance (JBEF), ISSN: 2146 – 7943, http://www.pressacademia.org/journals/jbef

PressAcademia

Journal of Business, Economics and Finance

Year: 2018 Volume: 7 Issue: 1

DETERMINING THE RIGHT MARKETING-RELATED METRICS TO MAXIMIZE PROFITABILITY IN BANKING[1]

DOI: 10.17261/Pressacademia.2018.794
JBEF- V.7-ISS.1-2018(5)-p.44-63

Cagla Burcin Akdogan[1], Nimet Uray[2], Burc Ulengin[3]
[1] Istanbul Technical University, Istanbul, Turkey.
caglaburcindalkilic@gmail.com, ORCID: 0000-0001-5590-0223
[2] Kadir Has University, Istanbul, Turkey.
nimet.uray@khas.edu.tr , ORCID: 0000-0001-6507-7955
[3] Istanbul Technical University, Istanbul, Turkey.
ulenginbur@itu.edu.tr , ORCID:0000-0001-5276-8861

To cite this document
Akdogan, C. B., Uray, N., Ulengin, B. (2018). Determining the right marketing-related metrics to maximize profitability in banking. Journal of Business, Economics and Finance (JBEF), V.7(1), p.44-63.
Permanent link to this document: http://doi.org/10.17261/Pressacademia.2018.794

ABSTRACT

Purpose - Securing a sustainable competitive advantage is crucial in today's highly turbulent market environment. One of the requirements for achieving this objective is understanding the interrelationships between marketing activities and business performance through the use of a suitable method of marketing performance assessment. Accordingly, the purpose of this study is to propose a model that can be used to assess the business performance of banks from the perspective of marketing resources, marketing activities and customer-based brand equity.

Methodology - The study employs panel data derived from the banking industry in Turkey. The model is tested using panel data regression with the EViews 9 program for short-term and long-term perspectives.

Findings - The analyses show that the business performance of banks is affected by marketing resources, marketing activities and customer-based equity with variable impacts affecting short-term and long-term outlooks.

Conclusion - Marketing performance assessment is a key requirement for creating the most effective marketing strategy and that can be done by determining how marketing-related factors impact business performance. Rather than only examining the impact of a marketing mix, marketing performance assessments need to employ a comprehensive approach by also including investigations of the effects of marketing related resources and customer-based indicators on business performance.

Keywords: Marketing performance, panel data, profitability, banking.
JEL Codes: C10, M10, M31

1. INTRODUCTION

Companies invest a large portion of their budgets in marketing in order to increase their brand performance and therefore secure long-term financial benefits. However, in the past they lacked the tools to properly assess marketing performance, which can be defined as "the effectiveness and efficiency of an organization's marketing activities with regard to market-related goals, such as revenues, growth, and market share" (Homburg et al., 2007, p. 21). For that reason, companies were unable to clearly define the returns on their marketing investments, and that is why, especially since the 2000s, the literature on marketing has focused on assessment as a way to develop new approaches which can define those returns. The tools that have been developed can be used for developing marketing strategies that enhance brand performance and marketing productivity.

[1] This paper is a part of the Ph.D. dissertation of Cagla Burcin Akdogan which was submitted to Istanbul Technical University, Graduate School of Science Engineering and Technology in February, 2018 and supervised by Prof. Dr. Nimet Uray and Prof. Dr. Burc Ulengin.

As Verhoef and Leeflang (2009) emphasize, in particular after the 2000s the marketing literature started drawing attention to the decreasing impact of marketing departments in organizations. This situation came about as a result of the perception that marketing has little accountability, which detracts from its credibility and position within organizations (Rust et al., 2004a; Lehmann, 2004). From this perspective, marketing is unable to explain the outcomes of marketing efforts and the resources that have been utilized (Petersen et al., 2009). Notably, studies about the relationship between marketing and organizational goals have been unable to offer further explanations of the matter (Ambler et al., 2004).

Indeed, Webster et al. (2005) pointed out that the impact of marketing is stronger at firms where there are clear means of showing its contribution to business performance. Clearly, the ability to assess builds up the credibility of marketing departments, and it is indisputable that proper assessments play a critical role in achieving organizational success. As Peter Drucker notes, "you can't manage what you don't measure." As such, a critical prerequisite for successful management is assessment of the actual situation. Only after strengths and weaknesses have been identified can the right actions be taken. For that reason, marketing researchers, as well as marketing professionals, have started to develop tools which can be employed to enhance the accountability of marketing by confirming and demonstrating its contributions to business performance (e.g., Morgan, 2012; Rust et al., 2004a; Gupta and Zeithaml, 2006; Srinivasan et al., 2010).

The tools developed for marketing performance assessment should indicate the direct linkages between marketing efforts, customer mindsets and financial performance (Petersen et al., 2009). However, this can only be achieved by using the appropriate marketing metrics. Various types of metrics, including those that are financial and non-financial, have been developed to assess marketing decisions (Lehmann, 2004). Especially after the emergence of service marketing, the importance of non-financial metrics has dramatically increased thanks to their ability to assess customer-based and long-term predictions of marketing performance (Chendall and Langfield-Smith, 2007). For this reason, a perfect marketing mix employed in a proper marketing assessment system becomes an ideal means of shedding light on the proper examination of returns on marketing investments.

Securing a sustainable competitive advantage is crucial for the majority of companies in today's highly turbulent market environment. Undoubtedly, understanding the interrelationships between marketing activities and business performance is one of the key priorities of the management teams of those companies. In addition, as Dekimpe et al. (2006) state, long-run market responses are also a critical input for companies striving to establish a sustainable competitive advantage since the long-run approach is central to marketing strategies. Therefore, a long-term perspective adds value to studies which are related to that issue. It can thus be seen that a proper means of marketing performance assessment adhering to these aspects is essential for securing a competitive advantage which in turn makes it possible for firms to be aggressive with their competitors using effective marketing strategies.

Along with generating market success, proper marketing assessment is needed for other reasons as well. First, marketers need to examine and fully grasp the relationships between marketing actions and their commercial and financial outcomes, as the resultant insights can then be used in the creation of suitable strategic marketing plans. Second, marketing professionals need to justify marketing budgets to create a sense of accountability, and that in turn will positively impact perceptions of marketing departments in organizations. Finally, marketing performance assessments should take into account how marketing activities first affect consumers' mind because only after their impressions have been shaped by marketing efforts does business performance appear as an outcome of that impact. For that reason, understanding the influence of marketing actions in shaping consumer mind is crucial throughout the marketing performance assessment process. As Kotler (2003) claims, "companies that make steady gains in mind share and heart share will inevitably make gains in market share and profitability". Hence, understanding the black box of customers' minds makes a significant difference in the success of marketing performance. In fact, several studies approach marketing performance from different perspectives, with many of them focusing on examining the direct relationship between marketing actions and a given company's market performance (Lehmann, 2004; Srinivasan and Hanssens, 2009). However, some researchers have stated that attention needs to be drawn to mediating measures related to customer perceptions, attitudes, and intentions (e.g., Gupta and Zeithaml, 2006). In addition, the Marketing Science Institute also announced that marketing performance measurement was among its top research priorities in several years, and it was a top research priority in 2008-2010 (O'Sullivan and Abela, 2007; Lamberti and Noci, 2010).

In the light of these motivations, the aim of the study is to develop a model which indicates the impact of marketing activities, marketing resources, and customer-based brand equity on business performance. By taking up such an approach, this model also aims to provide deeper insights regarding the effects of marketing actions both from a short-term and long-term perspective. With these goals, the expected contributions of this study are as follows. First, it proposes a tool which can be used in the creation of the most effective marketing mix consisting of appropriate marketing activities so that a perfect marketing mix can be established. Second, the right marketing budget with proper allocation for each marketing activity can be constituted with the help of this model. Most importantly, this model aims to help in the creation of the right marketing strategy and contribute to the success of that strategy.

The paper is organized as follows. It starts with a literature review highlighting the importance of marketing performance and marketing performance assessment. In the following section, the link between marketing and the business performance is discussed in light of related studies. Lastly, the model is proposed and the methodology is discussed, which in turn is followed by a presentation of the analysis, related findings and conclusion.

2. THE IMPORTANCE OF MARKETING PERFORMANCE FOR ORGANIZATIONS

The concept of marketing performance is crucial because of the significant implications of performance outcomes; for that reason, the assessment of marketing performance holds an important place in the marketing performance literature. The studies that have been conducted on the issue are based on the belief that marketing accountability is of critical importance. In other words, marketing needs to be able to demonstrate its contributions, which add value to the firm and to society (Sevin, 1965) through accountability. These contributions can be expressed as returns on marketing, which can be defined as "the revenue or margin generated by a marketing program divided by the cost of that program at a given risk level" (Powell, 2002, p. 6). Such a definition of a "return on marketing" is a financial metric and hence is approached from a financial perspective. Stewart (2009) claims that marketing accountability needs to be expressed via a financial rubric because the language of finance is taken to be the common language within companies. According to researchers studying the issue from this perspective, thanks to increased marketing accountability better decisions can be made based on financial metrics and that will result in improved business performance. At the same time, marketing's position in the company will be impacted in a positive way (e.g., Rust et al., 2004a) because it is more accountable and hence the marketing department will acquire more clout in the making of strategic decisions.

One of the main goals of marketing assessment is to validate marketing practices in the eyes of the management of the organization (Clark et al., 2004). Because marketing is constantly challenged to justify its investments and to demonstrate the relationship between marketing investments and marketing performance, researchers started to examine marketing metrics and the relationships that exist among them (e.g., Morgan et al., 2002; Lehmann, 2004; Morgan, 2012; Rust et al., 2004a; O'Sullivan and Abela, 2007). Through such efforts, it can be shown that there is a positive relationship between marketing investment and business performance, as noted by Rao and Bharadwaj (2008). They argue that as marketing investments increase, shareholder value improves accordingly in a positive way.

Another point is that marketing performance assessment makes a strong contribution to market learning. It provides insights about progress in the market (Argyris and Schon, 1978) and offers information about the results of marketing actions (Clark et al., 2004). When making decisions, it is very helpful to have a system that guides a marketing strategy in light of crucial factors and the decisions related to them (Van Bruggen et al., 1998). Performance assessment boosts marketing performance; as the saying in the literature goes, "what gets measured gets done" (Ouchi, 1979). By detecting weaknesses and taking appropriate actions for further improvement, enhanced marketing performance can be achieved. As time goes on and the ability of an organization to make proper measurements improves, the information gathered through measurement practices will improve as well and that leads to better decisions and more efficient use of organizational resources (Clark et al., 2004). As argued by Pimenta da Gama (2011), organizations need to have an effective and efficient system of marketing coupled with performance assessment if they want to achieve marketing goals and business objectives. On the one hand, improving marketing performance through assessment generates significant positive effects on business performance, and on the other hand it leads to appropriate implementation (Rust et al., 2004a; Morgan et al., 2002; Morgan, 2012). Hence, marketing performance assessment is an important component of marketing information (Menon and Varadarajan, 1992) and learning processes (Morgan et al., 2002). From a general perspective, the learning approach delivers overall performance (Baker and Sinkula; 1999). As Pimenta da Gama (2011) claims, organizations should give priority to implementing marketing assessment so that they can better compete in a highly turbulent market. In addition, the sustainability of such assessments is another important factor for success because a continuous record of marketing performance provides a consistent means of control and therefore sustainable business performance.

According to Srivastava et al. (1998), without a structured system linking marketing and finance, assessments of marketing activities would appear to be difficult to make. When a measurement system is lacking, investments made for marketing purposes will remain limited. In turn, if we hold to the assumption that value for an organization is mainly created by intangible assets rather than tangible ones, this negatively influences the value generated for the shareholder (Srivastava et al., 1998). Therefore, understanding budgets and resultant actions is crucial for evaluating the effects of marketing actions (Sevin 1965). Marketing uses the resources of an organization and in return the management of the organization needs to be informed regarding the returns on the investments made (Clark et al., 2004). As the financial perspective is crucial in organizational management, marketing should bolster itself through measurements and reports that create linkages with the financial approach and create accountability through justifications of the results with numbers (Bodell and Earle, 2004).

However, organizational learning does not lead to favorable results in all situations (Huber, 1991). According to some research, business performance improves the ability to properly evaluate increases in marketing performance (O'Sullivan et al., 2009). Hence, a reliable learning mechanism is a prerequisite, as is the reliable information gathered through it, and organizational attitudes are formed according to the outcomes (Clark et al., 2006).

3. MARKETING PERFORMANCE ASSESSMENT

Researchers have approached the issue of marketing performance assessment from different perspectives. Morgan et al. (2002) conclude that there are two main streams of research in marketing performance assessment: marketing productivity analysis and the concept of marketing audits. The marketing productivity approach adopts an approach based on efficiency, while the concept of the marketing audit is centered on effectiveness.

3.1. Marketing Productivity

Marketing productivity deals with input-output relations (Misterek et al., 1992). Accordingly, the marketing productivity approach makes two contributions to marketing performance assessments. First, it brings efficiency to marketing performance (Morgan et al., 2002), measuring efficiency based on the conversion between input and output (Sink, 1985). Second, it offers a detailed examination of marketing expenses (e.g., Sevin, 1965) and returns (e.g., Feder, 1965). According to this perspective, the success of a marketing action is evaluated according to the level of gains it provides in return for the investments made for it.

After the study carried out by Sevin (1965), two emerging approaches were recognized in the marketing productivity approach. The first is the tendency to use non-financial metrics as a marketing output. The second is interest in the adaptability and innovativeness of productivity evaluations (e.g., Walker and Ruekert, 1987) with the inclusion of multidimensional metrics (Bhargava et al., 1994). Both of these approaches in metric usage add value to marketing performance assessment practices with new perspectives, and the usage of non-financial and multidimensional metrics enriches the contents of assessments. Hence, the field of application for assessments has grown larger, so the outcomes of assessments have found an area of utilization for measuring the health of marketing performance.

However, according to Morgan et al. (2002) there are still some concerns about this approach in terms of how it can threaten usability. This approach is based on the assumption that inputs and outputs are accurately evaluated and do not change over time. Such a perspective is difficult to confirm, especially for intangible inputs and outputs (e.g., Herremans and Ryans, 1995). Moreover, from a conceptual point of view, the time lags between inputs and outputs are not taken into consideration in this approach which also makes it hard to differentiate the cumulative effects (Foster and Gupta, 1994). In addition, the assessments address the quantitative value of inputs and outputs rather than qualitative ones (Morgan et al., 2002). This places a certain limitation on evaluations. Finally, marketing productivity approaches primarily deal with efficiency, but they fall short in terms of measuring effectiveness and adaptiveness (e.g., Richardson and Gordon, 1980).

3.2. Marketing Audits

Marketing audits, an approach which was proposed in an American Management Association report (AMA, 1959), represent another approach for marketing performance assessment. They draw upon the studies of Crisp (1959), Sessions (1959), Shuchman (1959) and Oxenfeldt (1966). A marketing audit is defined as a comprehensive analysis of the whole marketing effort including goals, plans, human resources and the organization itself (Shuchman, 1959) with the aim of applying procedures and realizing targets.

Later, Kotler et al. (1977) brought a new approach to marketing audits. He defined them as regular, in-depth analyses of an organization's goals, strategies, actions and environment as a means of scanning the situation in terms of weaknesses and opportunities, and as such it was argued that they can be used to make recommendations in order to enhance an organization's marketing performance. This model consists of six elements, including: 1) a marketing environment audit, which covers an examination of the environment, 2) a marketing strategy audit, which is used to evaluate the marketing strategy to ensure that it is in line with environmental advantages and disadvantages, 3) a marketing organization audit, which is employed as a means of analyzing the connection between marketing and sales, 4) a marketing system audit, which makes it possible to assess the processes that have been designed in order to check marketing actions, 5) a productivity audit, which is used to examine financial data to increase profits, and 6) a marketing function audit, which is utilized to examine the main functions of marketing.

Marketing audits represented a new perspective on marketing performance assessments. The marketing audit concept had a considerable impact because it introduced the first systematic approach to marketing effectiveness (Kotler, 1977). However, it also had drawbacks from the point of view of usability. The first problem was that there were not enough skilled auditors (Kotler et al., 1977), so only a limited number of people could properly carry out audits. The second difficulty was a lack of management collaboration (Capella and Seckely, 1978), as demand and enthusiasm were not very high. The third barrier was a lack of accessibility to information (Rothe et al., 1997) because of the limited channels available. The fourth issue was the lack of efficient connections with high-level managers (Bonoma, 1985). As a result of those drawbacks, the marketing audit approach faced conceptual criticisms. First, it was argued that these systems do not engage with the entire auditing mechanism (e.g., Brownlie, 1993) and as a result, the area of implementation could not be expanded. In addition, such systems were criticized for being regular applications but not continuing evaluations of marketing performance (Kotler et al., 1977). The sustainability of an implementation is a significant factor, and this approach failed in that regard. Another criticism was that the main goal of these systems is to identify problems without proposing a concrete solution for them (e.g., Wilson, 1980). From this perspective, the expectation of such a system is that it should not just detect problems but also solve them. Lastly, auditing systems' lack of experimental validity led to further criticism which emphasized that they function from a qualitative perspective that lacks information about measurement features such as validity and reliability (Rothe et al., 1997).

Hence, by looking at the various aspects of marketing productivity and marketing audits, it can be concluded that both approaches have drawbacks in terms of usability and their conceptual frameworks which prevent them from being ideal solutions (Morgan et al., 2002).

4. LINKING MARKETING AND BUSINESS PERFORMANCE

In the marketing literature, studies have been carried out which link marketing and business performance (e.g., Morgan, 2012; Katsikeas, 2016; Rust et al., 2004a). These studies start with marketing resources and strategies, analyze their impacts on customer-based metrics and ultimately determine their effects on business performance. These studies offer chain-like models for examining marketing productivity.

4.1. Resources and Capabilities

The resource-based view (RBV) underlines the significance of key resources as a means of creating a competitive advantage and highlights the importance of establishing a competitive position (Hooley et al., 2001). Wernerfelt (1984) claimed that resources and the capabilities of a firm determine its profits and he posited that companies can be defined as a set of tangible and intangible resources. His study highlights the benefits of examining companies from the perspective of resources. According to this approach, the resource perspective is quite beneficial for companies in terms of providing insights about strategic options (Wernerfelt, 1984).

Another study which constitutes a milestone regarding resources and related issues is the work of Barney (1991) in the literature on strategic management. In his study, Barney (1991) examined the relationship between company resources and ensuring the existence of a sustained competitive advantage. The author stated that the attributes needed for resources to generate a sustained competitive advantage are value, rareness, inimitability and non-substitutability.

The RBV provides significant insights regarding the securing of a competitive advantage and competitive positioning. As markets become more complex in terms of the number of players and different types of customers, competitive positioning decisions become more important, such as those regarding the determination of target markets and the subsequent steps needed to achieve competitive gains (Hooley and Saunders, 1993). Such gains need to be established based on the distinguishing of resources and capabilities (Hamel and Prahalad, 1994; Webster, 1994). According to RBV, a strategy is developed based on the resources of the company. Undoubtedly, strategies should be put into place by matching the strategy with the resources and capabilities of the company so that they are sustainable (Hooley et al., 1998). Hence, the resource-based view considers firm-specific resources to be the center of competitive advantages and firm performance (e.g., Peteraf, 1993; Wernerfelt, 1984). According to this approach, differing company resources result in different strategies which lead to different performance outcomes (e.g., Amit and Shoemaker 1993).

4.2. Marketing Strategies

In general terms, the aim of marketing strategy decisions is to set priorities and define the related resource deployment in order to achieve company goals (Slater, 1995). These marketing strategy decisions cover strategic marketing objectives, market selection, value proposition and timing (Morgan, 2012).

However, without successful implementation marketing strategy decisions do not lead to success. Therefore, marketing strategy implementation is just as important as marketing strategy decisions. The implementation of a marketing strategy includes selecting the most appropriate set of marketing tactics and, in accordance with those, deploying marketing resources in order to realize marketing strategy decisions (e.g., Day and Wensley 1988). For that reason, effective marketing strategy implementation involves both creating an appropriate marketing program and allocating the related resources in the most efficient manner so that the marketing program can be put into place (e.g., Day and Wensley 1988). Here, the creation of a marketing program refers to translating each marketing strategy decision into specific action-oriented tactics (Bonoma 1985). But, of course, translating strategic decisions into more concrete tactical marketing actions is not easy. As there are several options for different marketing programs in the realization of a marketing strategy, the alternatives need to be evaluated strategically and the most effective one should be selected (Morgan, 2012). Therefore, in order to make the right choice and apply the right strategies, it is necessary to first understand those factors which have an impact on customer behavior. Accordingly, resources should be allocated to the right customer at the right time with the right offer (Rust et al., 2004a). For that reason, a definition of a concrete marketing program is not enough on its own; rather, the resources and capabilities for the application of a program need to be identified, since the success of the realization of a marketing program is directly linked to the deployment of those resources and capabilities which will be used for marketing program actions (e.g., Crittenden and Crittenden 2008). So, the level of success of a marketing program depends on how efficiently resources are allocated for each marketing action and how wisely capabilities are used to enact marketing strategy decisions. In addition, the performance analysis of marketing strategies offers insights about what kinds of impacts marketing decisions create on market and financial performance (Rust et al., 2004b). This information can later be used as a guideline when creating future marketing strategies and deciding on future marketing objectives. Apart from the strategic approach, the measurement of marketing performance at the tactical level can be carried out by examining individual tactical marketing actions so that the impact of specific marketing actions can be understood by identifying effective and ineffective marketing actions. With this knowledge, more effective marketing actions can be planned for future marketing programs.

When creating marketing strategies and putting into place marketing programs related to those strategies, companies should keep in mind that one of the most valuable assets is the set of intangible assets represented by its brands. Therefore, the management of brands—in other words, the enhancement of the value of brands—is critical. Keller and Lehmann (2003) proposed a brand value chain with several phases. According to the brand value chain model (Keller and Lehmann, 2003), the brand value creation process begins with marketing programs which are implemented by companies based on their marketing strategies. Marketing investments are directed to those marketing programs so that the defined target customers can be reached. After the application of marketing programs, marketing activities associated with the marketing program affect customers' mindsets with respect to the brand. Hence, the knowledge and feelings of customers regarding the brand are constituted with all of the influences generated through marketing activities. Hence, the customer mindset involves everything that exists in the minds of customers with respect to the brand (e.g., thoughts, feelings, experiences, images, perceptions, beliefs, and attitudes). The customer mindset is the precursor of brand performance, since customer behavior and attitudes directly reflect their opinions (Keller and Lehmann, 2003). Therefore, companies should carefully define their marketing strategies, keeping in mind that there is a relationship between marketing strategies and the customer mindset, which consequently leads to brand value.

4.3. The Impact of Marketing Strategies on Customers

Obviously, all firms investing in marketing programs would like to make a profit and gain a market share in return. Hence, all marketing efforts which ultimately aim to create profitability first need to win over the minds and hearts of the customer (Kotler, 2003). While the mind share is based on the cognitive evaluations of the customer, the heart share is based on their emotions and feelings regarding a brand (Pitta and Franzak, 2008). These elements can be approached in terms of the cognitive, conative and affective effects of communications (Fishbein and Ajzen, 1975). The mind share refers to the cognitive effects of marketing activities, and the heart share refers to the affective effects, which are the outcome of customer experiences and memories about the brand. The market share, on the other hand, represents the outcomes of behavior (Pitta and Franzak, 2008). In this continuum, the heart share stands in the middle between the mind share and market share (Day, 1989). Heart share occurs after the mind share and leads to the market share (Pitta and Franzak, 2008). In other words, brands which can create positive emotional connections and maintain those connections will win over the heart of the customer. Those brands which win over and keep their hold on the hearts of customers will achieve a sustainable competitive advantage over their rivals in the market (Pitta, 2007). This can only be achieved through the long-term investments of marketing. Therefore, at its core marketing is not a short-term activity, so companies make long-term marketing investments by means of which they seek to create long-lasting relationships with the customer. It is a well-known fact that the long-term impact of marketing is always higher than the impact of short-term marketing activities such as promotions, discounts and other one-shot activities. Thus, through marketing investments the brand will first win over the minds of customers and then win over their hearts, ultimately becoming a brand that the customer loves, and in doing so gain a market share over its competitors. In the end, the market performance generated in that sequence will bolster the financial performance of the company.

The marketing literature indicates that there are some key dimensions of the customer mindset (Keller and Lehmann, 2003; Ambler et al., 2002) which are connected to brand equity. Therefore, the right customer mindset is crucial for obtaining brand equity benefits and value (Keller and Lehmann, 2003). Aaker (1991) defined brand equity as "a set of assets and liabilities linked to a brand, its name and symbol, that add to or subtract from the value provided by a product or service to a firm and/or that firm's customers" (p. 15). Based on the definition provided by Aaker (1991), it can be seen that brand equity consists of five dimensions: brand awareness, brand associations, perceived quality, brand loyalty, and other proprietary brand assets such as patents, trademarks and channel relationships. Brand associations consist of the cognitive bonds which are created in the minds of customers who have a relationship with the brand (Keller, 1993). Perceived brand quality refers to customers' perceptions about the overall satisfaction provided by a product relative to the other alternatives (Zeithaml, 1988) and brand loyalty is defined as "a deep-held commitment to rebuy or re-patronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior" (Oliver, 1999, p.34). Customer-based brand equity encompasses customer evaluations of brand equity with those measures.

4.4. Business Performance

The ultimate step in the marketing productivity chain is business performance (Morgan, 2012). Performance is the core dimension of a company, and since it has many dimensions, it can be examined from various perspectives. According to Morgan (2012), business performance can be examined mainly through two perspectives; namely, market performance and financial performance.

Market Performance

Market performance deals with feedback concerning customer purchasing behavior (Morgan et al., 2002). The customers perceive a firm's value in a more positive way when a positional advantage is created relative to other competitors (Morgan, 2012). These positive perceptions affect the customer's buying behavior in a positive way for the firm (Narver and Slater, 1990) by enhancing sales volume, increasing customer satisfaction and loyalty, lowering price sensitivity and increasing the firm's market share (Morgan, 2012).

The impact of marketing activities on the customer leads to changes in marketing assets such as brand equity and therefore affects the competitive market position of the firm through market share and sales. At this point, successful brands build enhanced customer satisfaction and perceptions of the value of the firm's offer will be high from the customer's point of view (Rust et al., 2004a). Hence, the consequences of such an offer lead to superiority in the various dimensions of market performance (Srivastava et al., 1998) such as lower price elasticity (Boulding et al., 1994), customer loyalty (Srivastava and Shocker, 1991), price premiums (Farquhar, 1989), market share (Taylor, 2002), efficient marketing programs (Smith and Park, 1992), brand extensions (Keller, 1998) and profitability (Venkatesan and Kumar, 2004). Hence, brands can enjoy their success in marketing activities with numerous positive gains.

There are different approaches to examining market performance. For example, it can be examined from customer, competitor and internal perspectives (e.g., Day and Nedungadi, 1994). From the customer point of view, market performance refers to customer responses to the positional advantages achieved by the firm. From the internal perspective, market performance can be assessed in terms of unit sales or sales revenue as an outcome of customer behavior. From the competitor point of view, market performance can be identified through mind share and market share. Hence, each perspective makes a different assessment by highlighting the different strengths of the brand.

Market performance models are generally developed in quantitative research aiming to build a link between marketing expenditures and metrics such as market share and sales (Hanssens et al., 1990). An important outcome of these studies is the notion that long-term impacts differ greatly from short-term impacts (e.g., Dekimpe and Hanssens, 1995). This difference arises as the result of the characteristics of marketing actions (Rust et al., 2004a). Some marketing activities like sales promotions, for example, reveal their effects more quickly but the impact that is produced can be minimal. In contrast, some marketing actions produce their impacts more slowly over time, as is the case with advertising. In addition, monitoring the competitive environment and responding with the correct actions becomes crucial in the long-term perspective (Kumar, 1994). For that reason, marketing resource allocation studies examine the optimal level of marketing investments according to customer segments and markets in terms of the marketing mix elements and marketing channels in order to achieve higher profitability (e.g., Mantrala et al., 1992).

In the final stage of the marketing productivity chain, the market performance of a company will be followed by financial performance in terms of cash flow, profitability and similar financial indicators (e.g., Day and Fahey, 1988).

Financial Performance

Financial performance is a focal dimension of business performance (Morgan, 2012). Being able to affect customer perceptions and attitudes is a very significant indicator of marketing efforts, which in turn lead to enhanced sales performance and an increased market share. However, financial performance is considered to be the most important indicator in assessing the marketing efforts of a company (Rust et al., 2004a). The financial position of a company is directly influenced by marketing activities, which lead to several financial parameters such as profits and cash flow (Rust et al., 2004a). Therefore, the link between marketing activities and their financial results should be examined by marketers.

Marketing expenditures are considered to be investments. Therefore, the financial impact of marketing is an outcome of the revenue and the expenditures which are needed to generate that revenue. Thus, the financial outcome of investments can be measured by the return on investments where the return can be expressed as a percentage of the expenditure (Rust et al., 2004a). Apart from the return on investment (ROI) approach, there are different metrics which can be used to define the financial performance of a company such as cash flow, profitability, financial market indicators of investor value (Srivastava et al., 1999), market value, stock risk (Morgan, 2012), investor returns, equity risk, credit rating, cost of capital (Katsikeas et al., 2016), market capitalization, Tobin's q (Rust et al., 2004a), and so on. Hence, financial performance can be measured from varying perspectives reflecting the financial position of the company.

As mentioned above, linking marketing and business performance provides important insights for marketing researchers as well as marketing professionals. Based on the insights acquired in marketing performance assessment, various studies have contributed to the development of this field through attempts to link marketing to business performance. Table 1 indicates some of the selected empirical studies on marketing performance assessment.

As can be seen in Table 1, a limited number of studies have been carried out in the service field. Most of the studies apply to the FMCG sector, automotive sector, and other tangible goods-related areas, as those dominate the content of research on marketing performance assessment. However, service marketing started drawing more attention after the 2000s with a shift from marketing's focus on the exchange of tangible goods toward the exchange of intangibles, skills and knowledge, as well as processes which combine goods and services. This indicates that marketing has shifted its focus from a goods-dominant view to a service-dominant view in which intangibles, exchange processes, and relationships generate the focus of the domain (Vargo and Lusch, 2004). Vargo and Lusch (2004) emphasize that service is the "fundamental basis of exchange" and is crucial for activities occurring between markets and society (Gamble et al., 2011). Therefore, this shift requires new approaches for assessments of marketing performance to define the different dynamics behind marketing performance from the perspective of service.

There are many differences between the goods-dominant and service-dominant perspectives. One of the most significant factors that creates a difference between these two perspectives is the metrics used in marketing performance assessment approaches. When the current empirical studies in this field are examined in terms of the metrics that are used, it can be seen that measures mainly related to sales are employed because they are the most important indicator in the goods-dominant perspective and because of the ease by which data can be acquired. However, from the service point of view, non-financial measures are of major importance in providing insights about how to further improve service quality. Furthermore, service-dominant companies have different financial parameters indicating performance.

Moreover, marketing performance assessment is a major means of contributing to the development of future marketing strategies. However, in order to be open to generalization, the studies should have broad coverage in terms of the time line involved. So, while there are some studies that take a longitudinal approach in the goods-dominant sector, they are few and far between. In addition, few longitudinal studies have been carried out in the service sector. Of course, acquiring data for longitudinal studies is more difficult than for cross-sectional studies. However, with improved data-mining capabilities and the development of technological applications used by companies, this problem has been minimalized through improved data resources which enable the usage of longitudinal data in marketing performance assessment studies.

Lastly, as mentioned above, marketing resources play an important role in the entirety of the marketing productivity chain. However, even though there are conceptual studies which include marketing resources in the marketing productivity chain approach as a whole, the existing empirical studies are lacking in this regard.

Table 1: Selected Empirical Studies Related to Marketing Performance

Paper	Author, Year	Dependent Variable	Industry
Mindset metrics in market response models: an integrative approach	Srinivasan et al. (2010)	sales volume	FMCG
Consumer attitude metrics for guiding marketing mix decisions	Hanssens et al. (2014)	sales volume	FMCG
The impact of brand equity on customer acquisition, retention, and profit margin	Stahl et al. (2012)	customer lifetime value (CLV)	automotive industry
New Products, sales promotions and firm value: the case of the automobile industry	Pauwels et al. (2004)	firm revenue, firm income, market capitalization to book value ratio	automobile industry
Advertising spending and market capitalization	Joshi and Hanssens (2004)	Tobin's q	computer manufacturers
The impact of brand equity and innovation on the long-term effectiveness of promotions	Slotegraaf and Pauwels (2008)	sales unit	FMCG
Product innovations, advertising, and stock returns	Srinivasan et al. (2008)	stock returns	automobile industry
The impact of marketing on customer equity: from relationship marketing to product marketing	Yoo and Hanssens (2004)	customer equity	automobile industry
Long-run effects of price promotions in scanner markets	Dekimpe et al. (1999)	sales volume	FMCG
The persistence of marketing effects on sales	Dekimpe and Hanssens (1995)	sales revenue	home-improvement
How dynamic consumer response, competitor response, company support, and company inertia shape long-term marketing effectiveness	Pauwels (2004)	unit sales	frozen food

While the number of studies in the literature seeking to measure marketing performance has been increasing, the marketing literature has been critiqued (Ambler et al., 2004) in terms of: a) low indicative capability (Day and Wensley, 1988), b) a short-term approach (Dekimpe and Hanssens, 1995; 1999), c) excessive inclusion of non-comparable metrics

(Clark, 1999), d) the stickiness of the perceived performance result in terms of the metrics used (Murphy et al., 1996) e) a lack of focus on increasing shareholder value (Doyle, 2000), and f) a lack of appropriate metrics (Ambler and Kokkinaki, 1997). In particular, a lack of appropriate metrics is a major problem in the marketing performance literature. That problem is a result of the complication of time-lagged effects (Dekimpe and Hanssens, 1995), the complexity of measuring brand equity, and the priority given to financial metrics (Kokkinaki and Ambler, 1999). In addition to these difficulties, another problem is that the choices underlying the selection of marketing metrics are not very well understood (Gao and Liang, 2016). Hence, because of the lack of the right metric choices, the assessments remain limited. Another point of criticism is that the applicability of marketing metrics is highly dependent on organizational and environmental aspects, so a common effective marketing measurement approach does not exist (Frösen et al., 2013). Factors such as the existence of a CMO (Mintz and Currim, 2013), marketing dashboard usage (O'Sullivan and Abela, 2007), the complex structure of marketing (Homburg et al., 2012), market turbulence (Mintz and Currim, 2013), technological turbulence (Jaworski and Kohli, 1993) and the intense competitive environment (Bennett, 2007) might have an impact on the existing approaches.

It should be noted that there are some limitations in this field. The limitations of marketing performance assessment are a result of the complicated nature of marketing relationships, which slows down the development of marketing performance assessment (Kotler, 1971). Emphasizing that marketing performance assessment is not an easy job, Clark et al. (2006) note that there are a number of reasons for this state of affairs. The assessment of time-lagged effects is always difficult, as the results of actions do not appear immediately but later. Since marketing performance assessment encompasses the time-lagged effects of marketing actions, the assessment of these actions requires special work. In addition, marketing includes several roles which are interlinked. As these roles create a complicated structure in which each role affects the other, the assessment process needs to be designed carefully. Moreover, marketing involves several players such as consumers and competitors. As a consequence of the various actors who take part in the assessment process, any assessment needs to broaden its view to include all of the players who have an effect on the process as a whole. In short, all of these characteristics make the measurement of marketing efforts a difficult and complicated task (Clark et al., 2006).

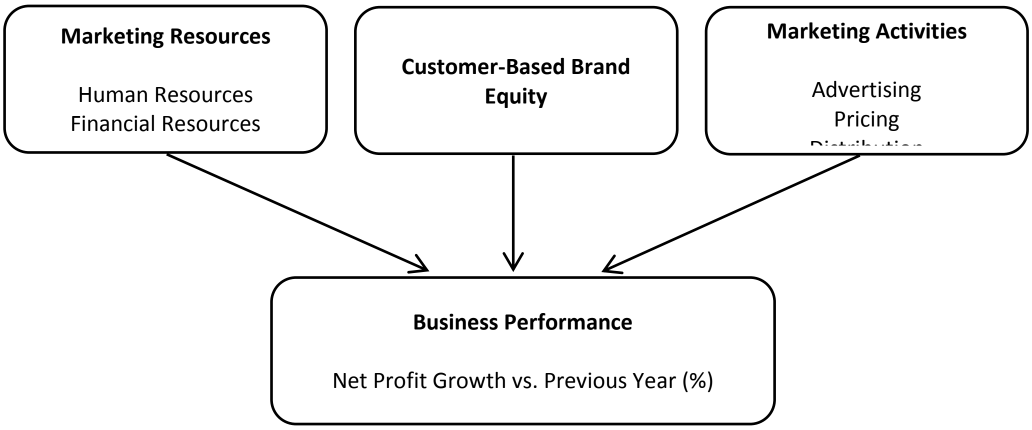
All of these issues place a certain amount of stress on marketing practitioners and researchers as they are expected to demonstrate the added value of marketing on shareholder value (Doyle, 2000). As stated before, it has been argued that improved accountability is necessary for understanding marketing (Morgan et al., 2002). As a result of the debates that have arisen, new studies have emerged in the literature which are based on the notion that business performance is enhanced by improved marketing accountability, which also improves marketing credibility (Morgan et al., 2002). Day and Fahey (1988) emphasize the significance of the new metrics when defining business performance. Rust et al. (2004a) highlight that introducing new techniques and processes to evaluate marketing productivity enhances marketing's stature in organizations. Several studies have been carried out as a reaction to calls for more marketing performance assessment research (e.g., Rust et al., 2004a; Ambler et al., 2004; Clark et al., 2006). In addition to researchers, marketing practitioners have also been regularly called upon to clearly show the impact that marketing has on business performance (Ambler, 2003). In this way, marketing performance assessment has become an increasingly engaging issue for both researchers and practitioners.

Because of the gaps in the literature, as well as criticisms of the field of marketing in terms of accountability and credibility, this study aims to analyze the impact of marketing resources, marketing activities, and customer-based brand equity on business performance in the service industry from both a short-term and long-term perspective.

5. METHODOLOGY

This study focuses on the banking sector in Turkey for several reasons. First, banking is a very competitive sector, so banks are quite active in their marketing activities as a means of acquiring a competitive position. They make sizable investments in their marketing programs based on particular strategies, which require large budgets. Therefore, it would be useful for the banking sector to have guidance in the development of effective marketing strategies and efficient usage of their marketing budgets. Second, few studies have examined the impact of marketing activities on business performance from the perspective of the entire marketing productivity chain (e.g., Morgan, 2012; Katsikeas et al., 2016). To date, no empirical studies in the literature have examined the banking sector across the entire chain, starting from marketing resources to business performance. For that reason, this study aims to address this lacunae, as a marketing productivity perspective will be useful for both researchers and practitioners alike. The model proposed for this study can be seen in Figure 1.

Figure 1: Proposed Model



5.1. Variables, Measures and Data Collection

Marketing Related Resources

This study uses panel data related to the banking industry. Based on the availability of data, the financial resources related to marketing activities and the human resources of marketing and support staff are included in the empirical part of the study. The data related to human resources and the financial resources of marketing activities was obtained from the public tables of the Banks Association of Turkey. Those tables report on the related variables separately for each quarter. Hence, the data was consolidated and processed by the researcher for all the quarters for a four-year period between 2012 and 2015 so that it could be integrated into the study.

The study used three types of operationalization for the financial resources of marketing activities and the human resources of the marketing and support staff. In the first form of the operationalization of the financial resources related to marketing activities and human resources related to marketing and support staff, the growth rates of these expenditures were used in comparison to the previous year. In the second form of operationalization, the ratio of the human resource expenditures of marketing and support staff to total bank expenditures was used for the human resources of the marketing and support staff variable. For the financial resources of the marketing activities variable, the ratio of the financial expenditures of marketing activities to total bank expenditures was used. In the third form of operationalization, the ratio of the human resource expenditures of the marketing and support staff to total bank assets was used for the human resources of the marketing and support staff variable. For the financial resources of marketing activities variable, the ratio of the financial expenditures of marketing activities to total bank assets was used.

Marketing Activities

For the marketing activities variable, data related to advertising, pricing and distribution was used. The first marketing activity included in this model is “advertising intensity”. The conceptual definition of the advertising variable which is used in this model refers to how much the customer is exposed to the advertising activities of the banks in question. The archive of Nielsen Turkey was used to cull the advertising data of all the banks examined here, which were integrated through the use of calculations. The media covered in this calculation method are national TV, radio, print media, internet, cinema, outdoor advertising and local TV. As a result of these calculations, the data for each type of media was obtained for all of the fourteen banks on a quarterly basis for a four-year period between 2012 and 2015. This data was then processed and consolidated by the researcher so that it could be integrated into the study.

The second marketing activity included in this model is “pricing mark-up”. The operationalization for the pricing mark-up was carried out in terms of the difference between two interest rates; respectively, the interest rate that the banks apply to customer loans and the interest rate that the banks apply to deposits. This data was obtained from the public tables of the Banks Association of Turkey, which reports on the related variables separately for each quarter. Hence, the data was then consolidated and processed by the researcher for all the quarters for a four-year period between 2012 and 2015 so that it could be integrated into the study.

The last body of data which was included in the marketing activities variable is “distribution intensity”. Distribution intensity was operationalized by the logarithmic versions of data related to the number of branches, ATMs and personnel. The figures for the number of branches and personnel was obtained from the public reports of the Banks Association of Turkey. The tables report on the related variables separately for each quarter. Hence, this data was then consolidated and processed by the researcher for all the quarters for a four-year period between 2012 and 2015 so that it could be integrated into the study. Data about the number of ATMS, on the other hand, was obtained from the activity reports of the banks which in turn were accessed through the websites of each bank for all the quarters for a four-year period between 2012 and 2015.

Customer-Based Brand Equity

As discussed above, customer-based brand equity is "the differential effect that brand knowledge has on consumer or customer responses to the marketing of that brand" (Keller, 1993, p. 2). In this study, customer-based brand equity is measured with a simple version of Aaker's (1991) brand equity scale. This measure includes three dimensions, namely brand awareness, brand loyalty and brand associations. The data collection was conducted with GfK for the four-year period of time via an omnibus panel.

Among the dimensions of customer-based brand equity, brand awareness was identified with three questions referring to aided and unaided recall in this study. As for brand loyalty, it was identified with a combination of satisfaction and endorsement questions. Lastly, the dimension of customer-based brand equity was measured with statements referring to brand associations. Four statements were used to measure the brand association variable.

An omnibus panel including all of these questions was conducted in quarterly periods for a four-year period between 2012 and 2015. Lastly, all the data referring to customer-based brand equity was consolidated and processed by the researcher for all the quarters for a four-year period between 2012 and 2015 so that it could be integrated into the study.

Business Performance

This study measures the business performance of banks in terms of financial performance, which in turn was measured in terms of "net profit growth vs. the previous year". The data related to financial performance was obtained from the public tables of the Banks Association of Turkey. The tables included here indicate the related variables separately for each quarter. Hence, the data was consolidated and processed by the researcher for all the quarters for a four-year period between 2012 and 2015 so that it could be integrated into the study. Table 2 and Table 3 provide the variables, their measures and the sources of data.

Table 2: Variables and Data Sources

Variables	Data Source	Data Type	Period
Marketing Resources			
Human Resources Intensity	The Banks Association of Turkey	Panel Data	2012-2015, Quarterly
Financial Resources Intensity	The Banks Association of Turkey	Panel Data	2012-2015, Quarterly
Marketing Activities			
Advertising Intensity	Nielsen	Panel Data	2012-2015, Quarterly
Pricing Mark-Up	The Banks Association of Turkey	Panel Data	2012-2015, Quarterly
Distribution Intensity	The Banks Association of Turkey	Panel Data	2012-2015, Quarterly
Customer-Based Brand Equity	GfK	Omnibus Panel Data	2012-2015, Quarterly
Business Performance			
Net Profit Growth vs. Previous Year (%)	The Banks Association of Turkey	Panel Data	2012-2015, Quarterly

Table 3: Variables and Measures

Marketing Resources	Related Variable	Measures
Human Resources	*Human Resources Intensity*	three types of operationalization
Financial Resources	*Financial Resources Intensity*	three types of operationalization
Marketing Activities	**Related Variable**	**Measures**
Advertising	*Advertising Intensity*	marketing expenditure per media
Price	*Pricing Mark-Up*	interest rate of loans - interest rate of deposits
Distribution	*Distribution Intensity*	three types of operationalization
Customer Based Brand Equity	**Related Variable**	**Measures**
Customer-Based Brand Equity	*Brand Awareness*	multiple types of questions
	Brand Loyalty	5-point Likert scale (satisfaction) question of bank dimension (endorsement)
	Brand Associations	four questions of bank dimensions
Business Performance	**Related Variable**	**Measures**
Business Performance	*Financial Performance*	net profit growth vs. previous year (%)

6. ANALYSIS AND FINDINGS

Before starting the analysis, the data was screened via an outlier examination and missing data. The analysis consists of four steps. In the first step, factor analysis was used to derive the customer-based brand equity variable from the three dimensions mentioned above. The factor analysis was executed using the SPSS 20 program. For the rest of the analyses in the second, third and fourth steps, the EViews 9 program was utilized. In the second step of the analysis, unit root tests were carried out including all the variables. Unit root tests were used to investigate whether or not the variables are stationary or non-stationary. In the third step, the panel data regression was applied to define the relationship between the variables. Initially, all the variables were included in every equation. But in every iteration, non-significant variables were eliminated using the backward method. Hence, the final version of the equation only includes the significant variables for the relevant equation. The panel data regression analyses determine the short-term and long-term relationships between the variables. However, only the significance level of short-term coefficients can be estimated with this test. Therefore, in order to define the significance level of the long-term coefficients, the Wald test was carried out as the fourth step of the analysis. The short-term period represents approximately three months, and the long-term period represents around two years. The findings are presented and discussed in two different time horizons in Table 4.

Table 4: Factors Impacting the Growth of Net Profit

Dependent Variable: Net Profit Growth	Short Term		Long Term	
Customer-Based Brand Equity	2.51E-01	***	7.36E-01	***
Growth of Marketing Expenditures	-1.28E-01	***	-2.70E-01	***
Pricing Mark-Up	8.92E-02	***	1.36E-01	***
Number of Branches	1.67E+00	**	2.56E+00	**
Number of Personnel	-9.09E-01	***	-1.39E+00	***

TV (national) Advertising Expenditures	-4.63E-10	**	-7.07E-10	**	
Radio Advertising Expenditures			4.05E-07	***	
Print Advertising Expenditures	-3.44E-08	***	-1.82E-07	***	
Internet Advertising Expenditures			2.95E-07	***	
Cinema Advertising Expenditures	2.69E-08	**	4.11E-08	**	
Outdoor Advertising Expenditures			4.28E-07	***	
TV (local) Advertising Expenditures	6.83E-07	**	-3.57E-06	***	
Human Resources Expenditures / Total Bank Expenditures	-3.04E+00	***	7.89E-01		
Marketing Expenditures / Total Bank Expenditures			-1.97E+01	***	
Weighted Statistics					
R-squared	0.722		Mean dependent var		0.011
Adjusted R-squared	0.629		S.D. dependent var		0.547
S.E. of regression	0.333		Sum squared resid		13.879
F-statistic	7.729		Durbin-Watson stat		1.953
Prob(F-statistic)	0.000				

* significant at 10%

** significant at 5%

*** significant at 1%

The results indicate that marketing expenditure growth has a negative impact on net profit growth both in the short term and in the long term. In addition, the ratio of marketing resource expenditures to total bank expenditures has a negative effect on net profit growth in the long run, while it does not have any significant effects in the short term. The results also indicate that the ratio of human resource expenditures to total bank expenditures affects net profit growth negatively in the short term and does not have any significant effects in the long run.

In terms of pricing activities, the results confirm that, as expected, pricing mark-up has a positive impact on net profit growth both in the short term and in the long term. As regards distribution intensity, which is an indicator of availability of services, the results show that a higher number of personnel has a negative effect on net profit growth both in the short term and in the long run. In contrast, the number of branches has a positive effect on net profit growth both in the short term and in the long run.

The last dimension of marketing activities is advertising intensity, which indicates how much the customer is exposed to each type of media. As seen in Table 2, each media type influences the net profit growth of the banks in different directions and along different time horizons. The results indicate that the impact of TV advertising on national channels and print advertising is negative on net profit growth both in the short term and in the long term. The results also demonstrate that local TV advertising has a positive effect on net profit growth in the short term but a negative effect in the long run. Cinema-based advertising, on the other hand, affects net profit growth positively both in the short term and in the long run. It was found that radio advertisements, the internet and outdoor advertisements do not produce a significant effect on net profit growth in the short run, while their positive impacts on net profit growth seem to be relevant in the long run.

The last variable, which is significant in terms of the impact on net profit growth, is customer-based brand equity. According to the results, the brand equity of banks has a positive impact on net profit growth both in the short term and in the long term.

7. CONCLUSION AND FUTURE RESEARCH DIRECTIONS

The analysis indicates that increases in marketing expenditures have a negative impact on net profit growth both in the short term and in the long term, the ratio of marketing expenditures to total bank expenditures has a negative effect on the growth of net profit in the long run, and human resources expenditures have a negative effect on net profit growth in the short term. Clearly, the short-term period of three months is indeed quite short for an examination of improvements in profitability from an investment point of view. Even the long-term period, which was set at around two years, still cannot be deemed as satisfactorily long enough to observe the effects of marketing and human resources expenditures as investments through marketing activities on profit-based indicators. It seems clear that an increase in marketing budgets diminishes profits not only for a period of three months but for longer periods as well. Therefore, it would be expected that marketing expenditures would have a negative effect on net profit growth for a period of three months and even for a period of two years.

In terms of pricing mark-up, the results demonstrate that it has a positive effect on net profit growth both in the short term and in the long run. Any increase in pricing mark-up entails an increase in the prices of bank services in terms of customer loans and a decrease in prices paid for the deposits of customers. Hence, as prices get higher, the net profit of banks increases accordingly.

From a distribution perspective, the results show that the number of branches has a positive effect on net profit in both periods. The expectation would be that technological improvements would lead to negative impacts on net profit growth as regards the number of branches due to the increased level of technological applications in the banking sector. Seen in this way, if a bank increasingly directs its customers to online applications and ATMs, banks will be able to lower their branch costs. However, the results indicate that Turkish customers still value traditional ways of banking.

Another dimension which has a significant impact on net profit growth is the number of personnel. The results reveal that the number of personnel has a negative impact on net profit growth in both the short term and in the long run. The negative effect of the number of personnel on net profit growth indicates that their numbers do not contribute to an improvement in net profit.

TV advertising is, of course, one of the most effective and commonly used tools of advertising for banks. This study considers two types of TV advertising in the analyses: TV advertising on national channels and TV advertising on local channels. According to the results, TV advertising on national channels has a negative influence on net profit growth both in the short term and in the long run. The underlying reason for the negative effect of TV advertising on national channels might be the high costs involved. Therefore, a short-term period of three months, and even a long-term period of two years, are still not long enough to reveal whether or not such a large investment has a positive effect on net profit growth.

Based on the results, local TV advertising has a negative effect on net profit growth in the long term. As mentioned above, TV advertising is undoubtedly one of the most effective ways to reach out to customers who are geographically dispersed. However, because of the high costs of TV advertising, the profit impact of this type of advertising starts becoming positive only on the distant horizon. The same also holds true for local TV advertising.

Another form of media examined in this study is radio advertising. According to the results, radio advertising has a positive effect on net profit growth in the long run because it allows for greater access to bank customers. In addition, the cost of radio advertisements is far more reasonable. Therefore, the positive feedback of these advertisements for net profit growth pays off earlier, especially when compared with TV advertising. Furthermore, because radio advertising has wide coverage and makes it possible to reach out to a large number of customers, it is quite influential.

As for print media, the results indicate that it has a negative impact on net profit growth in the short term as well as in the long run. The reason for this might be the fact that customers have switched from print forms of media to digital versions. It would seem that there has been a regular decrease in print media in terms of circulation and numbers over the years. This has led to the decreased influence of print media and, when used for advertising, a negative impact on net profit growth.

Another media tool that is used is internet advertising. According to the results, internet advertising has a positive effect on net profit growth in the long run. The primary reason for this is that internet advertising is growing rapidly, and as a result, the effectiveness of such advertisements has increased accordingly.

Outdoor advertising was found to have a positive effect on net profit growth in the long term. The banking sector is a service sector and therefore intangible. But outdoor advertisements convert this intangible service into a tangible outlook through the visuals that are used, rendering the impact of this form of advertising on consumers rather effective.

Cinema, a commonly used venue for advertising by banks, is the last form of media included in this study. Some banks even make sponsorship agreements with cinemas by means of which customers of the bank in question enjoy a discounted rate for particular screenings of films. Cinema advertising positively affects net profit growth both in the short term and in the long run. The reason for this might be that increasing numbers of people are going to the cinema. As the number of cinema-goers increases, the exposure level of cinema advertising goes up as well. Consequently, cinema advertisements have a positive influence on business performance indicators.

The last variable included in this study is customer-based brand equity. According to the results, customer-based brand equity has a positive impact on net profit growth in the short term and in the long run. Hence, in line with the marketing literature, it can be concluded that brand equity is a very significant factor for the business performance of a company and contributes to its success. This study confirms that developing customer-based brand equity is crucial for acquiring positive results in business practices.

Because of the constructs it employs, this study opens up avenues for future research. It should be noted, however, that the resources and capabilities examined in this study are limited in scope, and there are others that could be used for further enquiries. For example, future research could include different marketing resources, which would help determine the impacts of other effective means of improving performance. In addition, a future study could be conducted with a focus on another industry; by taking up the same perspective, the existing resources, capabilities and business performance indicators could be defined and the same model could be applied to reveal the differing relationships between marketing resources, marketing activities and business performance, with the addition of customer-based brand equity. Yet another complementary study could include data for a longer period of time, which might bring to light other factors. Lastly, additional business performance metrics could be employed using this model. Extending the scope of business performance metrics in terms of financial and market-based metrics has the potential to provide a broader range of outputs for the model along with more comprehensive conclusions. In short, it can thus be seen that this model provides a broad perspective for the assessment of marketing performance. Adjusting and enriching the same perspective for a broad spectrum of industries would be possible with the determination of appropriate marketing resources, marketing metrics and the length of periods of time under consideration.

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