

## **HOW CAN BRAND MANAGERS BENEFIT FROM SOCIAL MEDIA? THE SOCIAL MEDIA MANAGEMENT SCORECARD FOR BRANDS (SMMS-B)**

**Alptekin Erkollar**

Halic University

Prof. Dr.

E-mail:

alptekinerkollar@halic.edu.tr

**Birgit Oberer**

Kadir Has University

Ass.Prof. Dr.

E-mail:

Birgit.oberer@khas.edu.tr

### **—Abstract —**

In an era of integrated brand management and network marketing, brand builders try to use methods and tools that are prepared by controllers for improving the position of their brand. Generally, brands are dynamic and cannot be considered separately from cost management, shareholder, and stakeholder value as well as value chain impacts, return on investment, and cash flow. Additional tools are needed in order to design a successful brand management. In this study, a social media management scorecard for a brands template was introduced to enable a requirement analysis for brand management with social media. The results revealed that the developed social media management scorecard for brands covers the main strategic success factors from a brand of a brand, and may provide clues for factors to invest or disinvest.

**Key Words:** *Social media, brand, scorecard*

**JEL Classification:** M31

## **1. INTRODUCTION**

In an era of integrated brand management and network marketing, a brand builder tries to use the methods and tools prepared by controllers for improving the position of their brand; they consider the brand from a controller's perspective and ask for the brand's effectiveness and its contribution to generate added value, covering fixed cost and creating sustainability. Generally, brands cannot be considered separately from cost management, shareholder and stakeholder value as well as value chain impacts, return on investment and cash flow, but they are not a financial entity, which can be calculated easily with basic controlling methods. Branding is a process that not only creates the brand itself but also a brand identity for differentiating products, services, and corporations, as outputs of companies' activities. Brands are critical marketing and communication assets and it is important to invest time in researching, developing, and implementing a brand. Social media marketing is any form of direct or indirect marketing that is used to build awareness, cognition and action for a brand by using social media. Companies use social media to get in touch with their customers, attracting them to buy a specific product, to become aware of a specific brand or to post comments on a brand on different social media. In this study, a social media management scorecard for brands was introduced, which enables a requirements analysis for single or multi-product branding on social media. The results revealed that the developed social media brand management scorecard covers all the main strategic success factors from a brand perspective, and in particular relies on qualitative factors of the brand, determines the quality and financial deficits of a brand, considers social media related activities, and may provide clues for factors to invest or de-invest.

## **2. LITERATURE REVIEW**

### **2.1. Brand management**

Kotler (1994) defined a brand as follows: 'A brand is a name, term, sign, symbol or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of the competitors'. A brand supports companies' activities in establishing a unique corporate identity, which should be used to attract active customers in target

markets to repeat purchases and long-term business relations and attract prospective ones as well. The term branding summarizes an ongoing process with a brand and brand identity as an output, which are both used to differentiate products, services, companies, subsidiaries, industries in general and target groups. Brands have to be seen as a critical marketing asset that brand builders have to focus on (Ghachem 2011, Grigore et al. 2010, Erkollar/Oberer 2010). Brand equity is the expression of a brand's value or strength, describing a brand and measuring its total value. Benefits associated with brand equity are strong market share, customer loyalty, and improved profitability, and less vulnerability to competitor activities. In a brand strategy it is defined as to how, what, where, when, and to whom a company plans on communicating and delivering brand messages. Central for a brand strategy is the brand portfolio management, the ability to organize all the company's brands in these portfolios. This is crucial for every company that has more than one brand (Erkollar/Oberer 2010). It is a goal of brand builders to reason the factors influencing the popularity of their products in order to start some kind of lessons learned about their past activities and to get an idea as to what should be relevant steps for the near future and in the longer run as well as to be successful on the market or to market newly planned brands, sub-brands, or brand products. Short run and long run marketing trends have to be considered in order to evaluate their impact on brand performance and brand management (Ghachem 2011).

## **2.2. Performance management and balanced scorecard**

According to Goncharuk (2011) '...enterprise performance management is a system of techniques, processes, leverage, organizational structures and their interactions that determine the content of enterprise performance management and collectively solve...(a) main task'. Objectives and indicators of business performance management are associated with operational metrics and linked to performance related incentives. The whole performance management process consists of integrated strategic, analytic, and operations related processes and sub-routines for defining strategic goals, planning tactics and operational strategies, tasks and measures and evaluating execution procedures and process driven performance results (Chen et al. 2011). A key factor for brand performance management is, according to Gomes & Liddle (2009), to determine how to weigh the key factors for evaluating the performance, which directly affect brand

awareness, brand loyalty and customer satisfaction as well as financial and process oriented indicators. To cover the branding process and establish performance measurement structures, one instrument offering a systematic approach is the one of the balanced scorecard. The balanced scorecard represents a performance measurement instrument where objectives, measurands, and strategic actions are categorized according to a specific structure, which is designated as a dimension. The Balanced Scorecard, which comprises four dimensions, was publicized by Kaplan & Norton in 1996; they focus on finance, customers, Learning & Growth as well as on an internal dimension. For every dimension, the main targets, objectives, measurands, and measures have to be developed, showing how the dimensions can influence each other. Nowadays, the Balanced Scorecard approach is frequently used for most situations available in organizations, such as marketing, strategic management, customer services, process management, or staff coaching. The Balanced Scorecard Approach does not depend on the type of organization, which means it can be used for enterprises, governments, non-profit organizations, as well as for single departments in such organizations or in several cases (such as a Balanced Coaching Scorecard) also for individuals in such organizations (Gomes & Liddle 2009, Kaplan & Norton 1996).

### **3. MARKETING WITH SOCIAL MEDIA**

#### **3.1. Social media**

Social Media are communication technologies that focus on social interaction of individuals, groups or companies. For companies, social media changed the way how they communicate with their customers, what they know about them and how they want to attract them (Erkollar/Oberer 2010). With social media you can create and share content online, you can run blogs, podcasts, forums or contribute to wikis. Social media could support companies focusing on their processes and strengthen their core competences. Using social media means for companies not only putting some content online but also handling this content in the longer run; updating it if necessary, adding important information if needed, checking stakeholder feedback, responding to this feedback, such as customer inquiries, comments, complaints (Kurkela 2011). In case a company used social media for a one-directional information flow (giving information to stakeholders) without

interacting with them or focusing on a bi-directional information and communication flow, they have to be aware of a threat, unanswered customer comments, inquiries or complaints could damage the company's reputation in the longer run. Especially in situations that are critical (such as products have insufficient functions a lots of customer complain), a company has to be active also in social media. Customers and other stakeholders expect them to respond, and it is a must for critical situations but also for non-critical ones. Companies that want to improve their image need to be responsive in general and create a positive environment for their stakeholders, also on social media (Erkollar/Oberer 2010, Rehmani/Khan 2011 and Mohmed/Rahman 2010).

### **3.2. Social media marketing**

With social media marketing, companies can build customer relationships, create brand awareness and increase customer's brand loyalty, share company related information and modify negative perceptions, and provide opportunities for followers to feel these people are valued in the longer run and meet short-term targets. Apart from this, social media marketing can also be used as a market research tool, as companies can learn about customer demographics, preferences, and behavior, find niche markets and learn about competitors. Effective social media marketing means not only delivering messages to customers and other stakeholders but also listening, understanding and stakeholder participation to create an added value for stakeholders and build up business relations. To start social media marketing, a marketing plan has to be developed to define a structured process on social media marketing. This marketing plan should include the defined need for an ongoing market research, creating content (about the company). Social media marketing can be used to get in touch with customers and other stakeholders and to build brand awareness; with social media, participation from stakeholders should be carried out, assuming here that participation and involvement mean increasing sales numbers and more satisfied customers. With social media marketing an online reputation management of companies can be developed and treated. Social media measurement means measuring the effectiveness of social media (Ferreira/Armagan 2011, Rehmani et al. 2011).

#### **4. SOCIAL MEDIA MANAGEMENT SCORECARD FOR BRANDS (SMMS-B)**

Social media could be used to give stakeholders the feeling of being valuable to the company and to build good relationships with them. To adopt to a changing environment, not only because of changing customer preferences, companies need to establish an ongoing process of change management to meet the new demands created by a changing environment. To be able to design a social media management for brands, we developed the social media management scorecard for brands (SMMS-B). This scorecard used the main structure of a balanced scorecard, with different dimensions defined, as well as key objectives, actions to be taken, indicators for brand performance. In a previous research project, we defined the brand performance scorecard, which has a similar structure but focuses on all the dimensions to be considered to be able to evaluate a brand performance. The SMMS-B is an extension of the brand performance scorecard, because it only focuses in detail on social media. To explain the SMMS-B structure, we first summarize the general structure of the brand performance scorecard (BPS). The BPS has the following dimensions: 1. stakeholders (1.a customers, 1.b other stakeholders); 2. market segments (2.a current segments, 2.b prospective segments); 3. internal dimension (3.a staff, 3.aa sales and services, 3.ab management; 3.b processes); 4. media sources (4.a current sources, 4.b prospective sources). The SMMS-B focuses on part 4 of the BPS, which are media sources and breaks down this dimension into a further scorecard focusing on social media. The SMMS-B is structured in two levels. Level 1 covers objectives, dimensions and performance indicators. Table 1 shows the Level 1 structure of SMMS-B, which focuses on the dimensions 1. media sources, 2. staff, 3. in use and 4. trendsetters; all of them with objectives, along with key performance indicators and timeline & priority information). The values in the SMMS-B are sample values and need to be adopted according to the company's needs. Generally, the dimensions in the brand performance scorecard are a 'must' because they reflect the whole brand related environment. With level 1 of the SMMS-B, it is possible to get a first overview about the interdependences of different dimensions within this scorecard. In level 2 (table 3), the interdependences with the main scorecard, and the brand performance scorecard (BPS) is displayed. To be able to show this interdependence, BPS is first shown in an overview (table 2). Sub-categories can be defined by brand builders. The same

is valid for the added further dimensions. Basically, there is no limit for adding dimensions, but there should not be more than 7 in order to guarantee that the scorecard can still be handled. The benefit lies in the improvement of the update procedures, in case the interdependences are known. Shown in an example this means that a given company wants to improve its brand messaging, which is related to dimension 4a. In case the company wants to start this kind of improvement, the impact on the other dimensions and sub-categories also has to be considered. To have a strategic approach for this impact analysis, the second level of the template can be used. A detailed impact analysis can be added in case it is needed in the third column of the template. This could be any kind of documents summarized an impact analysis and its results, which can be embedded in the template.

Table 1: Social media management scorecard for brands, level 1


<b>SOCIAL MEDIA MANAGEMENT SCORECARD FOR BRANDS</b>		<b>Level 1</b>	
<u>OBJECTIVES</u>		<u>COMMENTS</u>	
No. 1	Develop an active environment for the brand	Media related	
No. 2	Develop customer and stakeholder management on social media	stakeholder related	
No. 3	Consider brand life cycle for social media activities	Brand related	
No. n	Increase the brand awareness of brand attributes among key persons with direct customer contact	Staff related	
<u>DIMENSIONS</u>	<u>OBJECTIVES</u>	<u>KEY PERFORMANCE INDICATORS (KPI)</u>	<u>TIMELINE &amp; PRIORITY</u>
<u>1. media sources</u>	Definition and implementation of social media used Research on social media effectiveness related to your brand(s)  <i>COMBINE with 1,2,3 of BPS</i>	Amount of social media in use <i>(sample KPI)</i>	Q1 Priority: 1 <i>(sample values)</i>
<u>2. staff</u>	Train staff how to use social media effectively for brand management	Stakeholder response on a sample brand <i>(sample KPI)</i>	Q2 Priority: 1 <i>(sample values)</i>
<u>3. in use</u>	increase brand appearance	Amount of brands online, amount of branded products and services	Q2 Priority: 2 <i>(sample values)</i>

	Improve brand messaging	online Customer satisfaction index Sales numbers (sample KPI)	
<u>4. trendsetters</u>	Improve relationship with trendsetters	Amount of trendsetters talking about our brand(s) Frequency of brand information in trendsetters' reports (sample KPI)	Q2 Priority: 2 (sample values)

Table 2: Brand performance scorecard (BPS), level 1

<b>BRAND PERFORMANCE SCORECARD</b>		<b>1<sup>st</sup> level</b>	
<u>OBJECTIVES</u>		<u>COMMENTS</u>	
No. 1			
No. n			
<u>DIMENSIONS</u>	<u>KEY PERFORMANCE INDICATORS</u>	<u>TIMEFRAMES</u>	<u>PRIORITY</u>
<u>1. Stakeholders: 1a. Customers 1b. other stakeholders</u>			
<u>2. Market segments: 2a. current segments 2b. prospective segments</u>			
<u>3. Internal dimension : 3a. Staff 3aa. sales &amp; service 3ab. Management 3b. processes</u>			
<u>4. Media sources: 4a. current 4b. prospective</u>			

Table 3: Social media management scorecard for brands, level 2

<b>SOCIAL MEDIA MANAGEMENT SCORECARD FOR BRANDS</b>		<b>Level 2</b>	
<u>DIMENSION</u>	<u>RELATED CATEGORIES FROM BPS</u>		<u>DETAILED IMPACT ANALYSIS</u>
1. media sources	Dimension 1:		
	category 1a	<input type="checkbox"/>	
	category 1b	<input type="checkbox"/>	
	Dimension 2:	<input type="checkbox"/>	
	category 2a	<input type="checkbox"/>	
	category 2b	<input type="checkbox"/>	
	Dimension 3:	<input type="checkbox"/>	
	category 3a	<input type="checkbox"/>	



	category 3b	
	Dimension 4: category 4a	<input type="checkbox"/>
	category 4b	<input type="checkbox"/>
2. staff	Analog to dimension 1	Analog to dimension 1
3. in use	Analog to dimension 1	Analog to dimension 1
4. trendsetters	Analog to dimension 1	Analog to dimension 1

The SMMS-B is currently in use in an Austrian company, serving the fast moving consumer goods (FMCG) market. The results of this SMMS-B in use will be presented after the trial period of 1 year, which will end in May 2013.

### 3. CONCLUSION

The quality of brand management depends on the consideration of essential key data, their transparency and balance, as well as on their alignment to the strategic and operative levels, where the social media management scorecard for brands offers support for establishing a social media focused brand management system. The developed SMMS-B covers all the main strategic success factors from a brand perspective related to social media, and is directly related to the brand performance scorecard (BPS), which relies on the qualitative factors of the brand, determines the quality and financial deficits of a brand, and may provide clues for factors to invest or to disinvest. Apart from this SMMS-B, which can be used to analyze the performance of a single brand, an instrument should be developed to analyze the impact of this master brand on various products offered in different international markets (sub brands as well as sub brand products), which is currently under development, focusing on social media.

### BIBLIOGRAPHY

- Chen, Ying-Chang, Wen-Cheng Wang and Ying-Chien Chu (2011), "A Case Study on the Business Performance Management of Hilton Hotels Corporation", *International Journal of Business and Management*, Vol. 4, No.2, pp. 213-218.
- Erkollar, Alptekin and Birgit Oberer (2011), Trends in Social Media Application: The Potential of Google+ for Education Shown in the Example of a Bachelor's

- Degree Course on Marketing, in: Tai-hoon K, Hojjat A, Haeng-kon K, Heau-jo K, Kyung J K, Akingbehin K., Byeong-Ho K (Eds.): Communications in Computer in Information Science, Vol. 257, pp.569-578, Berlin: Springer.
- Ferreira Manuel Portugal and Sungu Armagan (2011), "Using Social Network Theory as a Complementary Perspective to the Study of Organizational Change", *Brazilian Administration Review*, Vol. 8, No. 2, pp. 168-184.
- Gomes, Ricardo Correa and Joyce Liddle (2009), "The Balanced Scorecard as a Performance Management Tool for Third Sector Organizations: The Case of the Arthur Bernardes Foundation, Brazil", *Brazilian Administration Review*, Vol. 6, No. 4, pp.354-366.
- Goncharuk, Anatoliy (2011), "Making the Mechanism of Enterprise Performance Management", *Economia: Seria Management*, Vol. 14, No. 1, pp. 58-72.
- Grigore, Ana-Maria, Florica Badea and Catalina Radu (2010), "Modern Instruments for Measuring Organizational Performance", *Annals of the University of Oradea: Economic Science*, Vol. 1, No. 2, pp. 951-956.
- Kaplan, Robert and David Norton (1996), "Using the Balanced Scorecard as a strategic management system", *Harvard Business Review*, 74, pp. 75-85.
- Kotler, Philip (1994), *Marketing Management: Analysis, Planning, Implementation and Control*, Englewood Cliffs, NJ: Prentice-Hall International.
- Kurkela Lauri Juhani (2011), "Systemic Approach to Learning Paradigms and the Use of Social Media in Higher Education", *iJET*, Vol. 6, pp.14-20.
- Mohmed, Mohmed and Azizah Rahman (2010), "The Impact of Social Network on Some Selected Corporate Business", *International Journal of Engineering Science and Technology*, Vol. 2, No.10, pp. 5245-5254.
- Rehmani, Mehmood and Muhammad Ishdaq Khan (2011), "The Impact of E-Media on Customer Purchase Intention", *International Journal of Advanced Computer Sciences and Applications*, Vol. 2, No.3, pp.100-103.