Marketing

MARKETING STRATEGIC ANALYSIS AND "5D SALES" MODEL

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Abstract

The article demonstrates topicality of the scientific discussion on the multidimensional marketing productivity metrics. The article contains the authors' "5D sales" model – five-dimensional measurement of sales, in which all strategic marketing analysis metrics are divided into 5 categories. The marketing metrics in the field of sales additionally contains the organization's market and financial results. The essence and calculation formula of current and future metrics for each category are considered in detail. The article demonstrates advantages of the "5D sales" model in conjunction with monitoring and control over current marketing situation and company strategic planning. It offers a matrix of potential marketing strategies based on the "5D sales. Efficiency of the selected marketing strategies is assessed by calculation of net marketing contribution. Application of the offered "5D sales" model for strategic marketing analysis of the local market of fireplaces allowed to obtain inverse relationship between the company's business and analytical marketing and to increase return on investments in marketing.

The article is devoted to studying of attractiveness of malls and their value for customers. Based on the empirical research the authors confirm the structure of the mall's value attributes consisting of five factors (essential attributes, diversity, entertainments, comfort and conveniences, luxury category). The article also contains the authors' typology (clusters) and description of Russian customers based on their attitude to the mall's value attributes: traditionalists, enthusiasts, indifferent, task-oriented and entertainment-oriented.

Introduction

Acknowledgment of marketing in its new capacity – not only as a tool of sales but also as business philosophy and scientific paradigm determining interconnections in the "customer – manufacturer – society" system became a legal result of extensive scientific-research activity in this sphere, practical experience accumulated over the last decades and growing interest from the part of business structures. Marketing is considered as a cornerstone and the most important premise for successful business, an integral attribute of modern economic relations. However, starting from the time, when companies began to introduce marketing services worldwide and to follow marketing basics in their practical activity, the issue on the necessity to justify marketing expenses and to determine its contribution to the company's financial remains has remained disputable.

It is known that it is impossible to manage efficiently those things, which cannot be measured. Over the last years there was a considerable increase both in the number and the variety of marketing metrics to be used by managers for analysis and evaluation of the company's marketing productivity and development of marketing strategies aimed at increase of the company's overall functioning efficiency and advancement of the current profit earning mechanism. The company's demand for application of these metrics is preconditioned by at least two factors: firstly, they allow to increase significance of marketing inside the company and to explain the necessity to spend funds on marketing to the managers; secondly, the metrics help managers and sales representatives to identify interconnections between the marketing strategy and the company's financial result.

Considerable growth of the number of available marketing metrics resulted from the impact of several trends.

1. In conditions of highly industrialized economy many markets reach maturity, when it is much cheaper to retain existing customers than to obtain new customers, therefore, transaction marketing focused on discrete acts of purchase and sale is replaced with relationship marketing focused on strong and durable customer relationship. The quality of relations between the company and the customer has become an important indicator of the organization's performance [10]. To achieve success the company attracts new customers and simultaneously limits the outflow of existing customers, wherein the strategies of customer attraction and retention shall work consistently, according to O.A. Tretiak [22].

2. Development of new marketing goods and services distribution channels considerably increased accessibility and measurability of several marketing metrics. The impact of new "drivers", such as "buzz marketing" and referral behavior widened the borders of measuring customer value and return on investments.

3. Human striving for personal fulfillment based on application of the right-brain's resources led to development of the artistic society and creative economy and changed marketing priorities and strategies, which is reflected in Marketing Concept 3.0 – from Products to Customers and to the Human Spirit – developed by Ph. Kotler [12].

4. Development of IT technologies allowed companies to widen the volume of information on customers, competitors and their clients. Thanks to the Internet, companies of the traditional economic sector received the opportunity to search for suppliers in the whole country and abroad, to enter new markets, to communicate with all customers and to have a more quality base for benchmarking [9].

However, the question about what marketing metrics are most important and applicable, in particular, for commercial companies, at development and evaluation of efficiency of their marketing strategies is still open.

Marketing Productivity Metrics

As it is known, it is difficult to determine "an ideal measure", which would allow to sum up the contribution of marketing to the outcome of the company's market activity. Pic. 1 presents a chain of marketing productivity offered by R. Rust, T. Ambler, G. Carpenter, V. Kumar, R. Srivastava. The company's strategies predetermine its tactic actions, and it inevitably suggests certain expenses (marketing investments). In their turn, investments determine obtaining of results, which can be expressed in marketing assets, market and financial metrics.

As I. Ansoff noted, one of the factors, which impact selection of strategic activity, is aspirations of groups or individuals for certain performance [3]. In this connection, marketing productivity metrics can be called an efficient tool of strategic planning, monitoring and control. They exercise the four main functions:

– *transforming function:* transfer of objectives to the operating level and identification of metrics to achieve the objectives and results;

– *stimulating function:* ongoing accounting of metrics to detect unusual characteristics or changes;

– *normative function:* identification of critical values of metrics as finite values of the company's performance;

– *control function:* ongoing accounting of metrics to obtain information on deviations in scheduled and actual results.

As a rule, the necessity for identification and application of marketing productivity metrics was for a long time justified by the pressure from the part of top-managers and investors requiring economic evaluation of the company's considerable marketing expenses. As a result, the growing demand for quantitative marketing measurement led to appearance of a large number of metrics allowing to measure everything – from the customer satisfaction level to the number of clicks on the company's web-site, – which required systematization. Thus, starting from 2000-s first works devoted to formation of the marketing metrics began to appear. Table 1 contains basic provisions of some scientists on formation of the marketing productivity metrics.

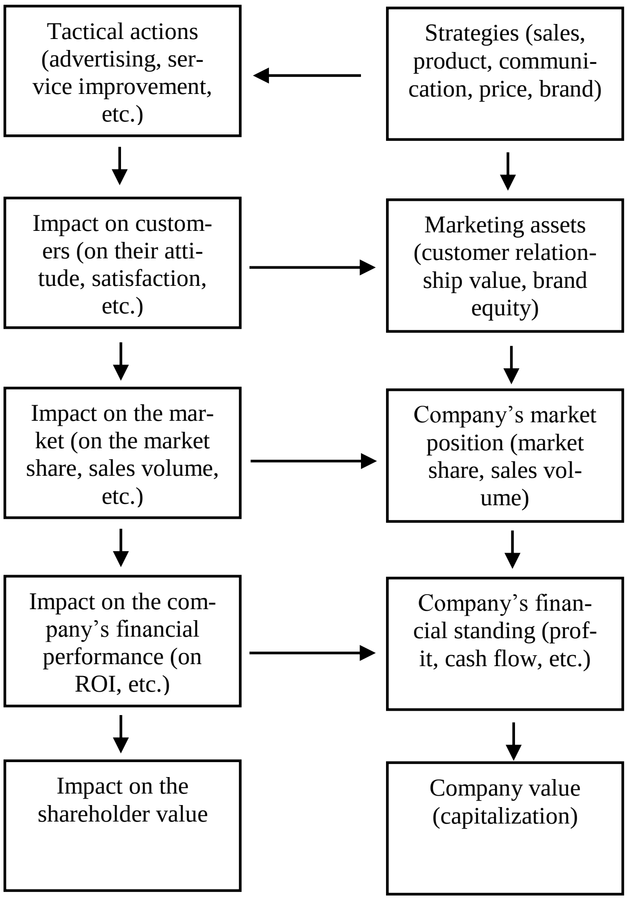
The marketing productivity metrics represented in scientific literature and widespread in practice require systematization. Within the framework of this study we tried to explain how market researches and practical experience correlate with different types of metrics and what impact each of them has on ability to develop an efficient marketing strategy.

Current Situation and Analysis and Future-Oriented Metrics

Special attention must be paid to the following types of marketing metrics: past-focused metrics and future-focused metrics. This classification was offered by A. Petersen, L. McAlister, D. Reibstein, R. Winer, V. Kumar, G. Atkinson in their research "Choosing the Right Metrics to Maximize Profitability and Shareholder Value" with a focus on retail companies. Pic. 2 depicts their idea of marketing metrics systematization at the commercial company's level, which assumes classification into 4 groups:

– by the object of analysis – customer level and shop level;

– by the time feature – metrics focused on analysis of the current situation and metrics focused on the future.



Pic. 1. Marketing productivity chain [19]

The group of metrics characterizing the current state of affairs is formed by three key categories: (1) transaction information; (2) marketing information; (3) competitive information.

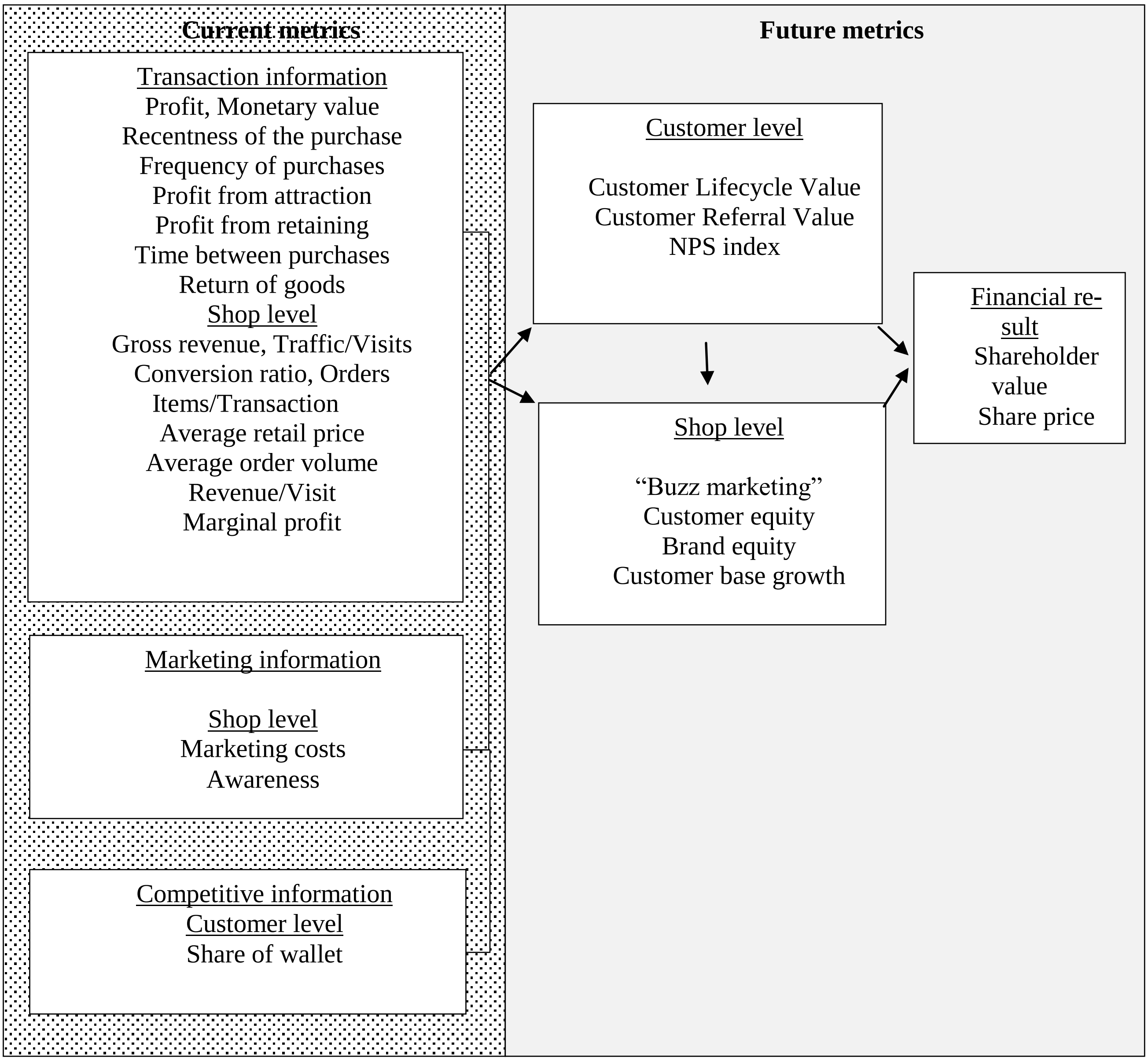
Current metrics at the customer level. Customer profit, which the company gains from servicing during a certain period, remains one of the most important metrics. Most widespread are metrics of the RFM-analysis: regency – time passed form the last purchase, frequency – frequency of purchases; monetary value – regular amount of customer's expenses at making of purchases ("average check"). Metrics of attracting new and retaining of existing customers are generally used to determine the current number of active customers. Companies often resort to application of such metrics as

Table 1 – Discussion on the Multidimensional Marketing Metrics

Author	Basic provisions/Contribution
S. Gupta V. Zeithaml [7] (2006) Customer Metrics and Their Impact on Financial Performance (Mktg. Sci.)	Discussion devoted to interconnection between visible and invisible (unmeasurable) metrics, which impact the company's financial performance. *Invisible:* customer satisfaction, service quality, loyalty, intention to buy. *Visible:* attraction of customers, retention of customers, cross-sales, customer lifecycle value, joint customer equity.
R. Rust, T. Ambler, G. Carpenter, V. Kumar, R. Srivastava [19] (2004) Measuring Marketing Productivity: Current Knowledge and Future Directions (JM)	A generalized structure of marketing productivity assessment based on practical studies is presented. New ways for market productivity assessment are offered. Special attention is paid to the marketing productivity chain: strategies, tactical actions, customer impact, marketing assets, market impact, market position, financial impact, financial standing, impact of the company value, company value.
Paul W. Farris, Neil T. Bendle, Phillip E. Pfeifer, David Reibstein [23] (2006) Marketing Metrics: 50+ Metrics Every Executive Should Master (Book)	List and description of basic metrics used in science and practice. They are divided into 9 categories: (1) Share of wisdom, emotions and market; (2) Margin and profit; (3) Goods and Portfolio management; (4) Customers' profitability; (5) Sales personnel and distribution channel management; (6) Pricing strategy; (7) Promotion; (8) Media- and web-metrics; (9) Marketing and finance.
T.Ambler [1] (2003) Marketing and the Bottom Line: The Marketing Metrics to Pump Up Cash Flow (Book) T.Ambler, J. Roberts [2] Beware the silver metric: marketing productivity measurement has to be multidimensional	Identified necessity to use a complex metrics. The focus is put on the brand value as the company's separate asset. Discussion is devoted to the fact that that there is no single common indicator, which can sum up marketing productivity. For that purposes companies must use a set of financial and non-financial metrics, as well as be careful at planning of the future based on the results of the previous periods. The work considers most popular metrics, such as return on investment and metrics based on "Discounted Cash Flow" (Joint Customer Equity, Customer Lifecycle Value, Net Current Value, Return on Customer offered by Peppers and Rogers) and demonstrates their limitedness.
V. Kumar [13] (2008) Managing Customer for Profit (Book)	The author demonstrates how to use Customer Lifecycle Value (CLV) more efficiently, how to manage existing customers and to remunerate them, how to invest in high-return customers preventing their "depletion" and ensuring future profitability. The author offers a customer-centered approach for maximally efficient distribution of marketing resources offering the right product to the right customer in the right time and determining the time of the most probable customer churn. The work also considers efficiency of application of "multi-channel purchases" and calculation of the Customer Referral Value (CRV).
A. Pricener [17] (2002) Balanced Metrics in Marketing and Sales: Planning and Control based on Key Performance Metrics	The theory of the "Balanced Scorecard" developed by Robert Kaplan and David Norton is for the first time analyzed as applied to marketing and sales tasks, a balanced scorecard is presented in this field.
A. Petersen, L. McAlister, D. Reibstein, R. Winer, V. Kumar, G. Atkinson [16] (2009) Choosing the Right Metrics to Maximize Profitability and Shareholder Value	Discussion on the necessity to implement future-oriented metrics and their interconnection with the metrics based on the previous experience, as well as on the direct interconnection between customer and brand value metrics and financial performance. The work considers marketing metrics useful for retail sales. The authors divided them into seven categories: (1) Brand value metrics; (2) Customer value metrics; (3) "Buzz marketing" and referral value; (4) Customer retention and attraction metrics; (5) Cross- and up-sales metrics; (6) "Multi-channel customers", (7) Return of goods.
M. Jeffrey (2013), Data-Driven Marketing. 15 Metrics Everyone in Marketing Should Know (Book) [5].	The author makes a conclusion that most organizations do not use data for marketing management and optimization. Only 20% of companies use different metrics to measure current marketing activity. These companies occupy the strongest positions on the market. The author offers a minimum number of metrics, which are most valuable for marketing: (1) Brand awareness, (2) Test drive, (3) Customer outflow, (4) Customer satisfaction level, (5) Share of attracted customers, (6) Profit, (7) Net discounted value, (8) Internal rate of return, (9) Pay back, (10) Customer lifecycle value, (11) Click price, (12) Transaction conversion, (13) Return on investments in advertising, (14) Failure quota, (15) Buzz marketing (personal recommendations).

“average expenses on attraction of new customers” and “average expenses on customer retention”. It is worth to pay more attention to metrics, which allow not to measure expenses but profit from attraction of new customers and profit from retaining of existing customers.

One should not forget about metrics, which remain beyond the company’s internal informational system but allow to shed light on its competitive market positions. The question is about such metrics as “Share of wallet”, i.e. share of all the customer’s expenses in a product category falling at products of a specific company. Here it is possible to concentrate efforts on those customers, whose current share in the company’s wallet is low but the size of their wallet is big enough.



Pic. 2. Spider diagram of marketing metrics in retail sales [16]

Current metrics at the shop level. Both customer profit and sales revenue remain the most important metrics for evaluation of the shop’s performance. Traffic, i.e. customer flow in the shop, is to a large extent determined by characteristics of the mall and location of the shop in this mall and city. In this connection, it is important to outline basic points of sales personnel’s motivation [16]. Key metrics at the shop level must include traffic, conversion percentage, number of product items per one transaction and average retail price of the product item, marketing expenses, marginal profit, customer awareness about the shop and specific brands.

Future metrics at the customer level. Customer lifecycle value corresponds to the total profit, which the company can gain from this customer over the entire period of their cooperation, is based on retrospective data but, as opposed to the customer profit indicator, which evaluates the past, the CLV looks to the future. This indicator is used to evaluate return on investments in customer relationship development.

The founder of NPS (Net Promoter Score) calculation method is F. Reichheld, who was the first one to announce the method in his article "The One Number You Need to Grow" [18] published in Harvard Business Review in 2003. Subject to this method a part of the company's most loyal customers is ready to assume personal reputation risks and to recommend positively this company in the market (customers are "promoters"). The second part of customers is generally satisfied by the company's work but is not ready to assume reputation risks and recommend it ("passive" customers). And, finally, the third part of customers consists of customers, who obtained a negative experience of dealing with the company and give "counter-recommendations" in the market (customers are "detractors").

Continuing researches in this direction, V. Kumar offered a formula allowing to measure the value of the customer's recommendation in favor of the company. This indicator was named Customer's referral value – CRV [14]. In his next works he offered a four-step process for CRV forecasting and ability to develop efficient marketing strategies based on CLV and CRV.

Future metrics at the shop level. At the shop level the question is about the so-called Customer equity, i.e. the sum total of CLV of all customers. Ideally, companies must consider the indicator allowing to measure their ability to bring new profitable customers to the company. The resulting indicator at the shop level is financial. Subject to F. Reichheld, the key to business growth is the "Word of mouth" of the company's customers. The retail seller's Brand equity measured by means of marketing researches must be referred to the company's future value. In order to ensure customer base growth a retail seller needs information on the customers, which have been the shop's customers up to the present day.

"5D Sales" Model as a Marketing Strategic Analysis Tool

A bulk of scientific literature within the framework of the considered subject allowed us to offer our own classification of marketing productivity metrics in the sphere of sales for a commercial organization, which we called "Five-dimensional measurement of sales" or "5D sales", All metrics are divided into five categories in accordance with their content: "Width of sales", "Length of sales", "Depth of sales", "Harmony of sales", "Adaptability of sales" (pic. 3). "Marketing result" and "Financial result" are outlined separately. This classification allows not only to monitor and control the current situation in the company but also sets sales development frames and vectors at the strategic level.

Prospect "Width of sales". Prospect "With of sales" represents objectives of a retail seller focused on increase of sales volume, primarily, in the short run, and widening of the customer base, i.e. attraction of new customers, which were previously either uncovered or inaccessible. In terms of setting of strategic objectives, the following questions are key for this prospect: "Is there any use to enter new markets and new segments?", "What can contribute to strengthening of the demand?", "How can we stimulate initial demand?", "Where and when can the company meet its potential customer?", "How can the company increase the number and the frequency of "meeting points" with its potential customer?". To evaluate the current "width of sales" at the company – seller level we refer to such metrics as number and share of new customers in the total revenue/profit of the company-seller and marketing expenses connected with attraction thereof.

Metrics allowing to assess the prospect include the following categories: (1) multichannel sales, (2) local, sub-regional and regional sales[1], (3)

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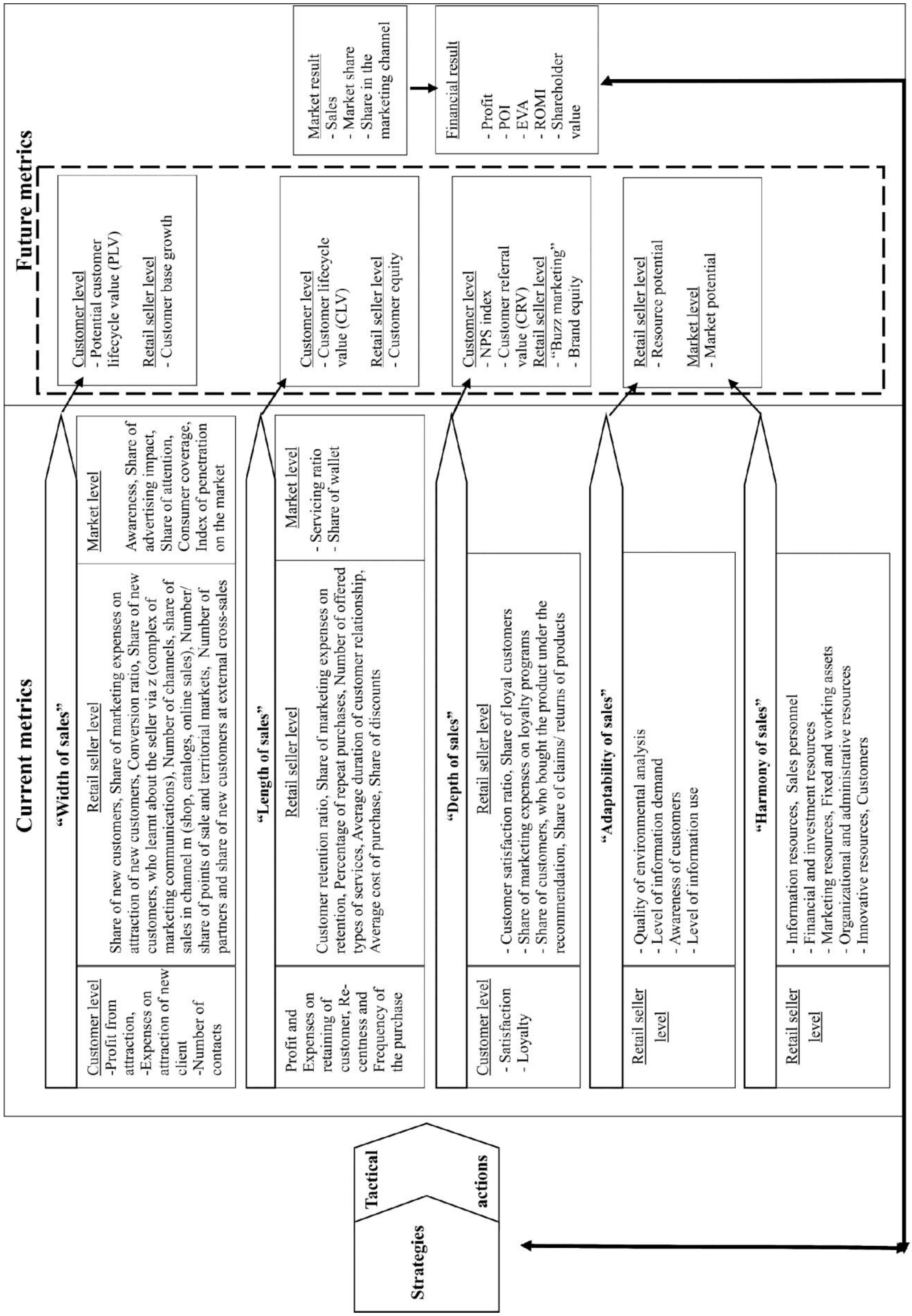
[1] City market – distance of up to 25 km from the company's location; local market (including suburban areas and neighboring settlements) – in the radius from 25 to 50 km; domestic market (it can include different districts of the region or even territories of neighboring regions) – in the radius from 51 to 250 km; sub-regional market – in the radius from 251 to 500 km; regional market – in the radius of over 500 km. Barkan D.I. Sales Management. [Text] St.P: Publishing house of St. Petersburg University; Higher School of Management Publishing house, 2008.



Pic. 3. "5D sales" model (Five-dimensional measurement and development of sales)

external cross-sales, when the customer buying a good or a service is also offered to buy other goods or services supplementing the first one, (4) complex of marketing communications, namely, number of contacts with potential customers in order to increase the awareness level.

Metrics at the market level demonstrating the company's market position as opposed to competitors from the perspective of the "width of sales" include:

– level of awareness about the shop/product, consumer coverage (at a relatively small coverage of consumers it is necessary to attract new customers from the target group and to strive for making of the first purchase),

– index of penetration on the territorial market, share of advertising impact, share of attention (publicity of the company, frequency, with which customers remember it, when they intend to buy a product of this category),

– relative price (this index is used at positioning management, perception of the manufacturer as a more expensive or cheaper one is a decisive factor in competition and planning of marketing activities).

Prospect "Length of sales". "Length of sales" includes characteristics connecting duration of sales in time with profitability of existing customers. The objective is not maximization of the market share but the share of the customer's wallet and "extension" of their activity period in time (table 2).

Table 2 – Current Metrics of "Length of Sales"

PROSPECT "LENGTH OF SALES"			
Metrics			Calculation formula
Past-oriented metrics (current situation analysis)			
Customer level	1.1	Profit from retaining of customer i	Revenue from customer i – Expenses on customer i
Customer level	1.2	Expenses on retaining of customer i	Average expenses on customer retention $= \frac{\text{Expenses on customer retention}}{\text{Number of retained customers}}$
Customer level	1.3	Recentness of the purchase	Average time passed since the last purchase
Customer level	1.4	Frequency of purchases	Average frequency of purchases over a certain period
Customer level	1.5	Monetary value	Average amount spent during one visit
Seller level	2.1	Share of retained customers	$\frac{\text{Revenue/Profit gained from customer retention}}{\text{Total revenue/Total profit}}$ Number of retained customers out of those, who could be lost.
Seller level	2.2	Share of marketing expenses on retention	$\frac{\text{Marketing expenses on customer retention}}{\text{Net revenue from customer retention}}$ $\frac{\text{Marketing expenses on customer retention}}{\text{Total marketing expenses}}$
Seller level	2.3	Percentage of repeat purchases	$\frac{\text{Amount of goods purchased by one and the same customer at least twice}}{\text{Total sales volume of these goods}}$ Repeat purchase is when a customer buys goods at least twice. The share of repeat purchases is a customer satisfaction indicator.
Seller level	2.4	Time value	Average duration of customer relationship
Market level	3.1	Servicing index	Determination of this index is connected with several problems. Firstly, it is necessary to identify what company's offers and services refer to servicing. Then – how they must be evaluated: based on cost or type. For example, a company makes a list of services rendered by its competitors, presents evaluation of these services in points in the form of a table, each service is assigned with significance, then the overall point is calculated for each company. $\frac{\text{Own servicing coverage}}{\text{Coverage of basic competitors' servicing/Average market index}}$
Market level	3.2	Share of wallet	$\frac{\text{Customers' expenses on goods of this retail seller}}{\text{Total expenses on goods of the same category}}$

From the perspective of strategic objectives the following questions are key: "What are the main conditions of product consumption and how can it be accounted in the marketing plan?", "How can the company "penetrate" in the product consumption process?", "How can the company stimulate customer activity in the course of time?".

"Depth of sales" prospect. Traditional sales are developed towards relationship marketing, which replaces transaction marketing. At the same time, according to J.-J. Lambin, sales based on relations are focused on strong and durable links, and their main priority is retaining and cultivation of customers to create mutually beneficial relations and offer potential common advantage (service, delivery term, warranties) [15]. From the perspective of setting strategic objectives, the following questions become key: "How can the company improve "quality" of customer relationship?", "How can the company make the customer its partner?". "Depth of sales" metrics are shown in table 3.

Table 3 – Current Metrics "Depth of Sales"

"DEPTH OF SALES" PROSPECT			
Metrics			Calculation formula
Past-oriented metrics (current situation analysis)			
Seller level	1.1	Customer satisfaction index	Customer satisfaction index generally consists of two components: significance of criteria, by which customer satisfaction is evaluated, and satisfaction degree by each of them.
	1.2	Share of loyal customers	$\frac{\text{Amount/Profit gained from loyal customers}}{\text{Total revenue/Total profit}}$
	1.3	Share of marketing expenses on loyalty programs	$\frac{\text{Marketing expenses on loyalty programs}}{\text{Net revenue from loyal customers}}$ $\frac{\text{Marketing expenses on loyalty programs}}{\text{Total marketing expenses}}$
	1.4	Share of customers, who bought goods under the recommendation	$\frac{\text{Amount/Profit from customers buying goods under the recommendation}}{\text{Number of all customers/Total profit}}$
	1.5	Share of claims/returns of goods	$\frac{\text{Amount/Cost of claimed goods}}{\text{Total sales volume}}$
	1.6	Share of discounts	$\frac{\text{Volume of granted discounts}}{\text{Revenue}}$

Customer satisfaction is a complex and most difficult value in marketing metrics, which does not only have a high priority, including for the company's profitability, but is also hardly determined. It consists of several individual elements, which are not always known, therefore, only a generalized value called customer satisfaction index can be used here. Distribution of recommendations gives evidence of a high satisfaction level. Customers under the recommendation are more profitable, whereas no expenses are needed on their attraction. Therefore, the share of customers, which bought goods under the recommendation, and the percentage of repeat purchases are classical indicators, which depend on customer satisfaction.

Table 4 shows approaches to calculation of future-oriented metrics.

Prospect "Adaptability of sales". Based on the definition given by V.V. Salmanova in her work "Adaptive Development of Marketing Product Distribution Channels" [20], "adaptability of sales" means ability of the retail seller's sales management system to ensure goal-oriented change of parameters, properties and its structure in response to environmental changes. This prospect touches upon such aspects as marketing and information, marketing and internal business processes, marketing and employees and their interconnections. From the perspective of setting of strategic objectives, the following questions become key: "How can the company obtain information about the market, trade and external customers more operatively?", "How can the company get ready for external opportunities and threats from inside?". Metrics of adaptability of sales (table 5) primarily characterize the retail seller's informational, organizational and administrative potentials.

Table 4 – Future-Oriented Metrics

		Formula
Customer level	Customer lifecycle value (CLV)	$CLV_i = \sum_{y=1}^{T_i} \frac{CM_{i,y}}{(1+r)^{y/frequency_i}} - \sum \frac{\sum_m C_{i,m,l} * X_{i,m,l}}{(1+r)^l}$ where: CLV_i – lifecycle value of customer i; $CM_{i,y}$ – forecasted contribution to operating profit from customer i at making purchase y, in monetary units. r – discounting rate; $C_{i,m,l}$ – marketing expenses on one contact for customer i in channel m in year l; $X_{i,m,l}$ – number of contacts with customer i in channel m in year l; $frequency_i$ – forecasted frequency of purchases made by customer i; n – number of years of forecasting; T_i – forecasted number of purchases made by customer i before completion of the planning period. CLV_i = Margin x Customer retention rate/[1 + Discounting rate – Customer retention rate]
	Potential customer lifecycle value (PLV)	PLV_i = Attraction rate x [Initial margin + CLV_i] – Marketing expenses on attraction of new customer i
	Customer referral value (CRV)	$CRVi = \frac{\text{Value of customers attracted upon the recommendation}}{\text{Discounting rate}} + \frac{\text{Value of customers attracted anyway}}{\text{Discounting rate}}$ $CRV_i = \sum_{t=1}^{T} \sum_{y=1}^{n1} \frac{(A_{ty} - a_{ty} - M_{ty} + ACQ1_{ty})}{(1+r)^t} + \sum_{t=1}^{T} \sum_{y=n1}^{n2} \frac{(ACQ2_{ty})}{(1+r)^t}$ where: T – number of planning periods (for example, years); A_{ty} – contribution to operating profit from customer y, who would otherwise not buy a good or a service; a_{ty} – expenses on recommendation for customer y; n_1 – number of customers, who would not be attracted without recommendation; $n_2 - n_1$ – number of customers, who would be attracted anyway; M_{ty} – marketing expenses necessary for retaining of customers, who came upon the recommendation; r – discounting rate; $ACQ1_{ty}$ – saving of expenses on attraction of customers, who would not come without recommendation; $ACQ2_{ty}$ – saving of expenses on attraction of customers, who would come anyway.
	NPS index (Net Promoter Score)	NPS concept is applied as follows: when answering to the question about probability of recommendations customers evaluate this probability according to the scale from 0 to 10 points. Zero points are given by those, who are absolutely not ready to recommend the company. Ten points are given by customers, who are undoubtedly ready to do it. Promoters are those, who give 9 and 10 points to probability of recommendation, passive customers are those, who choose 7 and 8 points, detractors are customers, who give 6 to 0 points inclusively to probability of their positive feedback.
Seller level	Consumer/customer equity	Discounted lifecycle value of all the company’s customers
	“Buzz marketing”	Discounted referral value of all the company’s customers

End of Table 4

		Formula
Seller level	Brand equity	Net discounted value of future cash flows generated by the company's brand, peculiar surplus above value. Moran's procedure: Brand equity = Market share x Relative price x Loyalty index $$V_n = \frac{CF\ (n+1)}{(i - K)}$$ where: Vn – cost of the final brand value in 5 years; i – discounting rate; K – rate of the long-term cash flow growth; CF_n – cash flow of n-period (year); CF (n+1) – discounted brand profit over the period (n+1); n – number of period (year).
	Resource potential	$$\Pi_{pec} = \sum_{i=1}^{n} K_i x \Pi_i \qquad Ires = \sum_{i=1}^{n} Ci\ x\ Ii$$ where: I_{res} – integrated index of resource potential; C*i* – coefficients of significance of each block/type of resource potential determined by the expert evaluation method, wherein the sum total of C of group *i* must comprise 1; I_i – evaluation index of an individual type of the sales organization's resource potential.
Market level	Market potential	At market potential evaluation indices considered at resource potential evaluation are compared with respective market-wide indices.

Table 5 – Current Metrics "Adaptability of Sales"

PROSPECT "ADAPTABILITY OF SALES"			
		Metrics	**Calculation formula**
Past-oriented metrics (current situation analysis)			
Seller level	1.1	Commercial and functional flexibility index	$\frac{\text{Number of accepted non-standard orders}}{\text{Number of non-standard orders fulfilled by customers}}$
	1.2	Quality of environmental analysis	Time spent on analysis (number of sources used for tracking of tendencies and changes)
	1.3	Information demand level	Number of situations, when information is needed before decision-taking
	1.4	Information use level	$\frac{\text{Number of used information sources}}{\text{Number of all available information sources}}$
	1.5	Knowledge of customers	$\frac{\text{Number of criteria, by each one customer is evaluated}}{\text{Number of criteria significant for customer behavior}}$

Prospect "Harmony of sales". The prospect covers the following questions of strategic analysis: "How can the company ensure functional integrity and stability at the business process level?", "How can the company's resource assets, including marketing assets, be used more efficiently?", "How can we ensure consistency of the company's internal potentials with market parameters?".

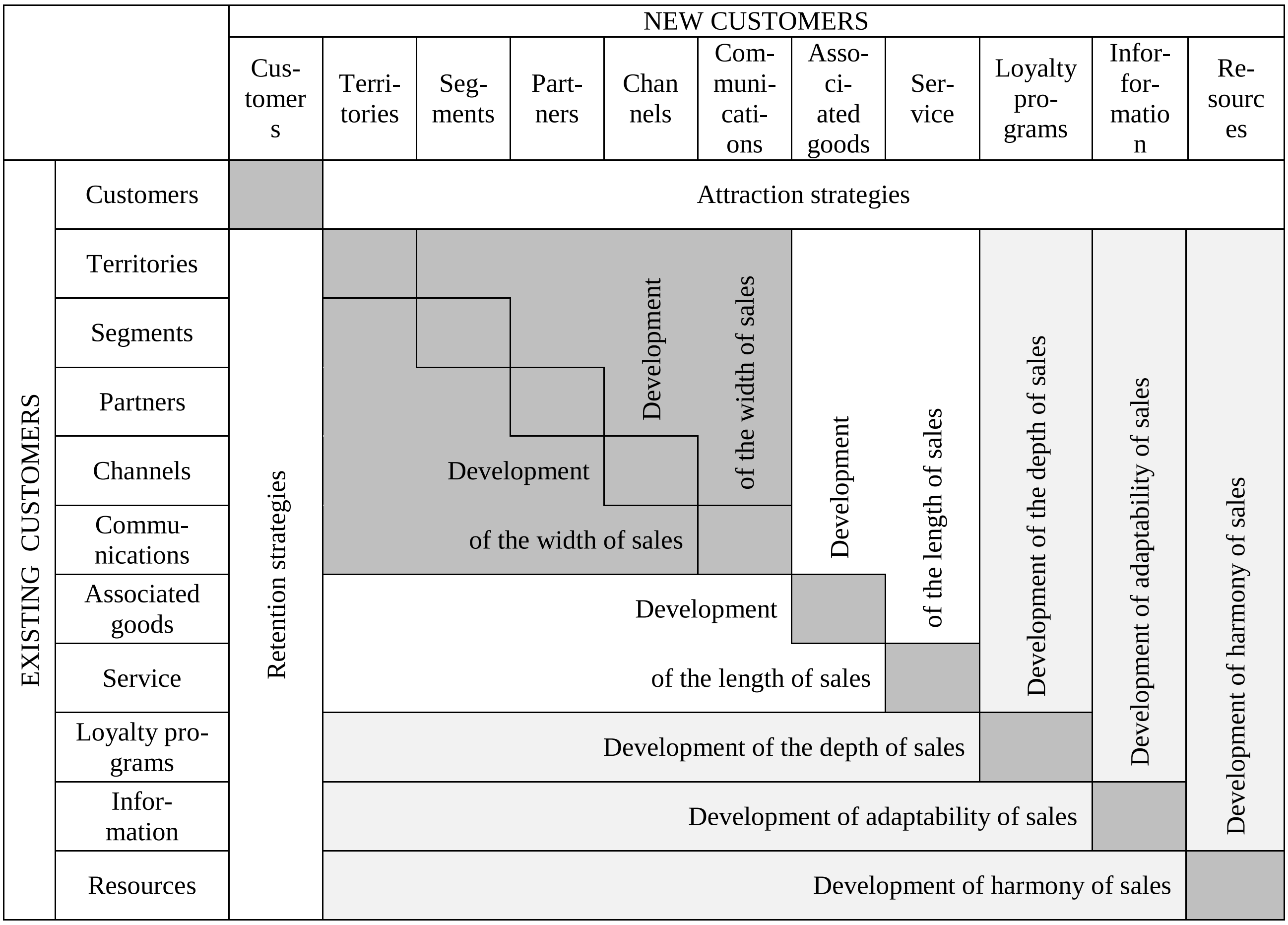
The "golden ratio" rule forms the basis of the "Harmonized management" trend, which has recently become widespread. It is widely accepted that the more proportions comply with the "golden ratio" principle (0,62 : 0,38) in the object structure, the higher is the development level and stability of this object. According to the definition of Smirnov S.V, I.P. Dezhkina and G.A. Potasheva [21], "A harmonious enterprise is a system, in which relations of its elements comply with the "golden ratio" principle, which ensures a high entropy rate in this system and minimum expenses on maintaining of its stability, growth of income and distribution thereof". It should be noted that "harmonization" as a process expresses relations formed during formation of harmony in economic activity. Mathematical analysis of harmony is based on Fourier's theorem, subject to which any periodic function randomly set in an interval can be divided into several harmonic vibrations and, in the outcome, represented by a certain trigonometric series.

Market and financial result. The market share can be characterized as a central indicator of market performance in strategic marketing. Whereas our research is focused on activity of retail sellers, who are the final link in the marketing channel and directly interact with customers, we propose to supplement metrics "Market share" with metrics "Company's share in the marketing channel". As for integral financial metrics of marketing productivity, as is customary, we classified them into: (1) Profits; (2) Return on Sales - ROS; (3) Return on Investments - ROI; (4) Return on Marketing Investments - ROMI.

Thus, the authors offered a metrics for marketing strategic analysis as applied to the retail organization. The results currently achieved by the company are the starting point for identification of development courses in the future and elaboration of a marketing strategy.

Selection of a Marketing Strategy and Evaluation of its Efficiency

As it is known, a marketing strategy plays a key role in the fight for customers, their retention and development, it ensures company's continuous growth and formation of a stable competitive advantage in the market, as well as pushes the company's financial indicators upward through improvement of the existing business model. Development of a strategy allows the company to identify both direction and method of advancement to the set objectives, as well as marketing assets to be invested. The considered sales development prospects within the framework of "5D sales" model allowed to form a matrix of potential marketing strategies for a retail seller (picture 4).

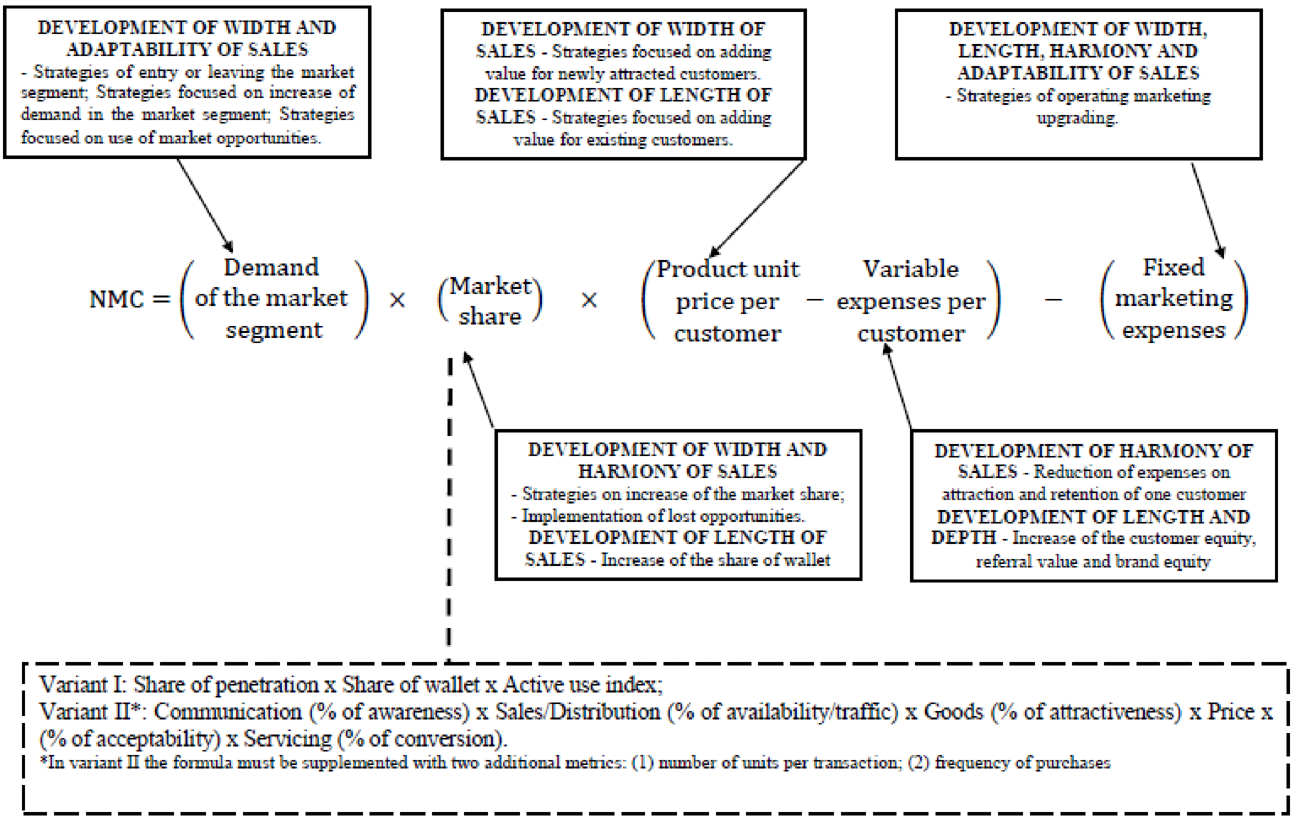


Pic. 4. Matrix of potential marketing strategies

Strategic analysis covers all business aspects and requires understanding of the impact of environmental conditions on organization of diagnostics of factors necessary for formation of an efficient marketing strategy [24]. Study and evaluation of marketing information is a key for selection of strategic alternatives in marketing. In order to make sure that the selected strategy is efficient it is proposed to conduct marketing strategic analysis based on the metrics offered by the authors.

It is proposed to evaluate efficiency of the selected marketing strategy by calculation of net marketing contribution. Types of strategies and elements of net marketing contribution are shown in pic. 5.

The authors have chosen the logical model of "Six Ws" as a practical tool for analysis of marketing strategy performance. Even in the second – first century before Christ Greek rhetor Hermagoras of Temnos cited as Augustin "De Phetorica" outlined the following necessary conditions for building of the case study logics and argumentation: "Quis, quid, quando, ubi, cur, quem ad modum, quibus adminiculis ». Currently, the model of "six Ws": who, what, when, where, why, in what way became widespread [11]. Its application in marketing was partially expressed in formation of 4-7 P marketing complex (product, price, proportioning, promotion). The authors adapted the "Six Ws" model for development of a marketing strategy for a retail organization in the regional market of fireplaces [8]. In the course of the research the authors justified measures for implementation of the marketing strategy with application of the "5D sales" model, which confirmed value of this tool for development of the marketing plan and evaluation the marketing strategic analysis efficiency in practical activity of organizations.



Pic. 5. Evaluation of marketing strategy efficiency based on net marketing contribution (NMC)

Conclusions

The authors have made a conclusion that transit from analytical to operating marketing happens upon interpretation of strategic tasks at the operational planning level. Therefore, there is often no analytical marketing function, and marketing management is limited by the planning process. Absence of inverse relationship between business and market researches results in partial use of marketing potential for the company's successful development. Therefore, for efficient control and monitoring of the current situation in a commercial company it is proposed to perform marketing strategic analysis based on marketing productivity metrics and the “5D” sales model on the ground of five measurements: width of sales, length of sales, depth, harmony and adaptability of sales. Only systematic analysis of marketing strategy efficiency will allow to improve the company’s financial performance and to satisfy customer needs to the maximum extent.

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