

# Performance Management System Using Linkage Analysis: Case Study

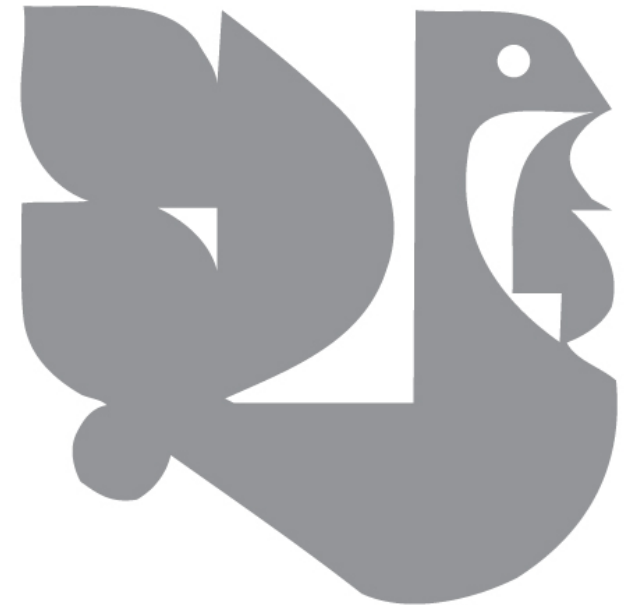


# Introduction

- Hansa|GCR has provided support to a client over a nine-year period in conducting a global brand management system. This system was used by multiple stakeholder groups to gain insight on what to do to enhance brand and market performance.
- One of the aspects of the brand management system was the development of linkage analysis to provide additional insight on what the organization could do to enhance the brand and ultimately increase financial results. The following pages provide a snapshot of sample results from this linkage analysis as well as background on the Hansa|GCR linkage approach.



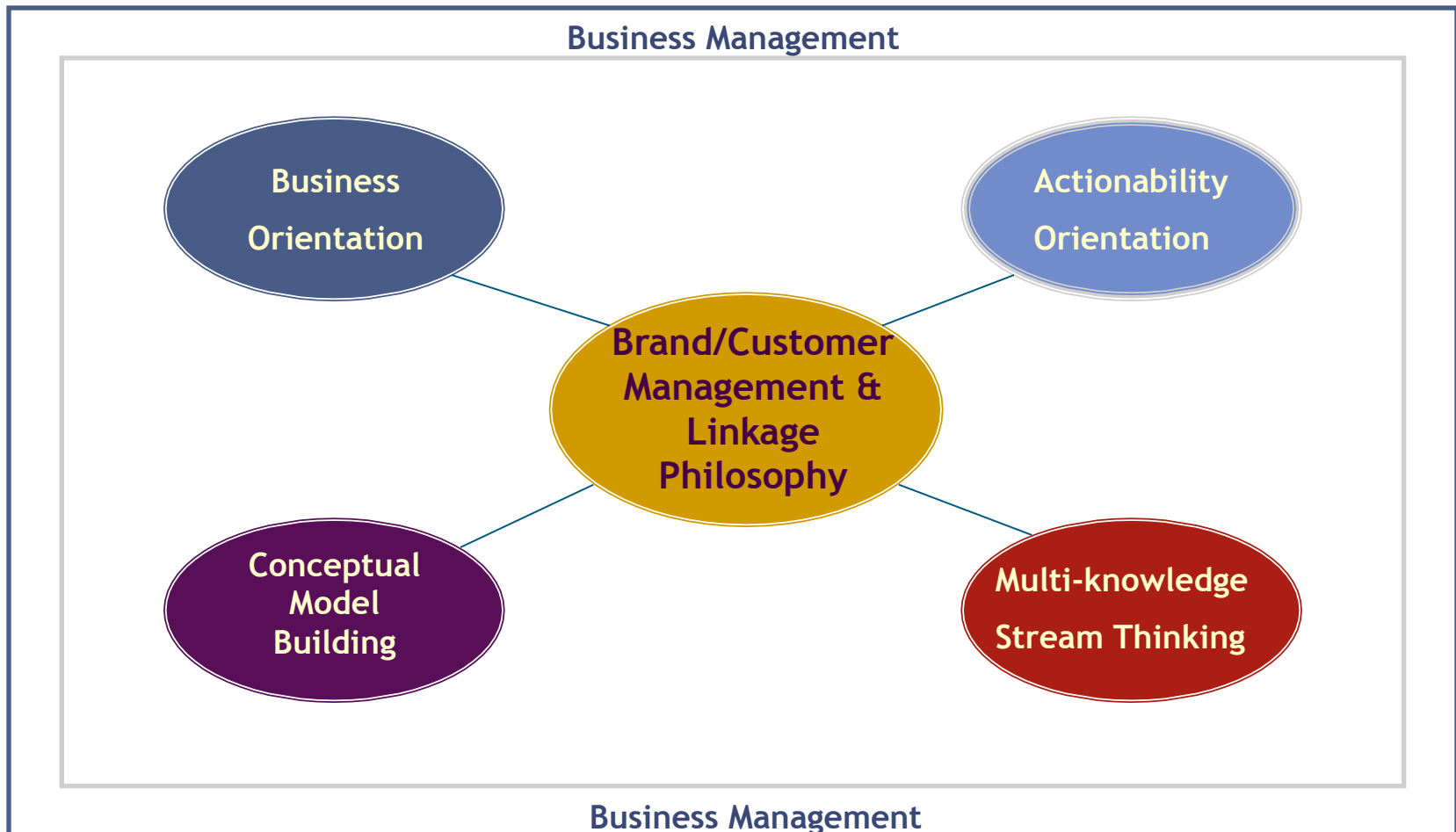
**Background On Hansa | GCR  
Approach To A Performance  
Management System Using Linkage  
Analysis**





# Our Performance Management System Philosophy

Hansa | GCR views brand and customer management as fundamental to business management. A linked system of measures needs to inform the business and provide actionable direction for improvement. The best systems actively involve key stakeholders in conceptualizing their system and how it can support the business, plus integrate different functional groups' perspectives in what can be done with results for on-going business management





# The Vision: Create Line Of Sight To Business Results

A management system with a series of linked measures enables clients to focus on specific attributes of the brand and customer experience that drive consideration, preference and purchase. It pinpoints organizational action needed to enhance brand affinity. And, it demonstrates what needs to be done to create financial results.



- System of leading to lagging indicators of business performance

- Resource allocation to priority leverage points

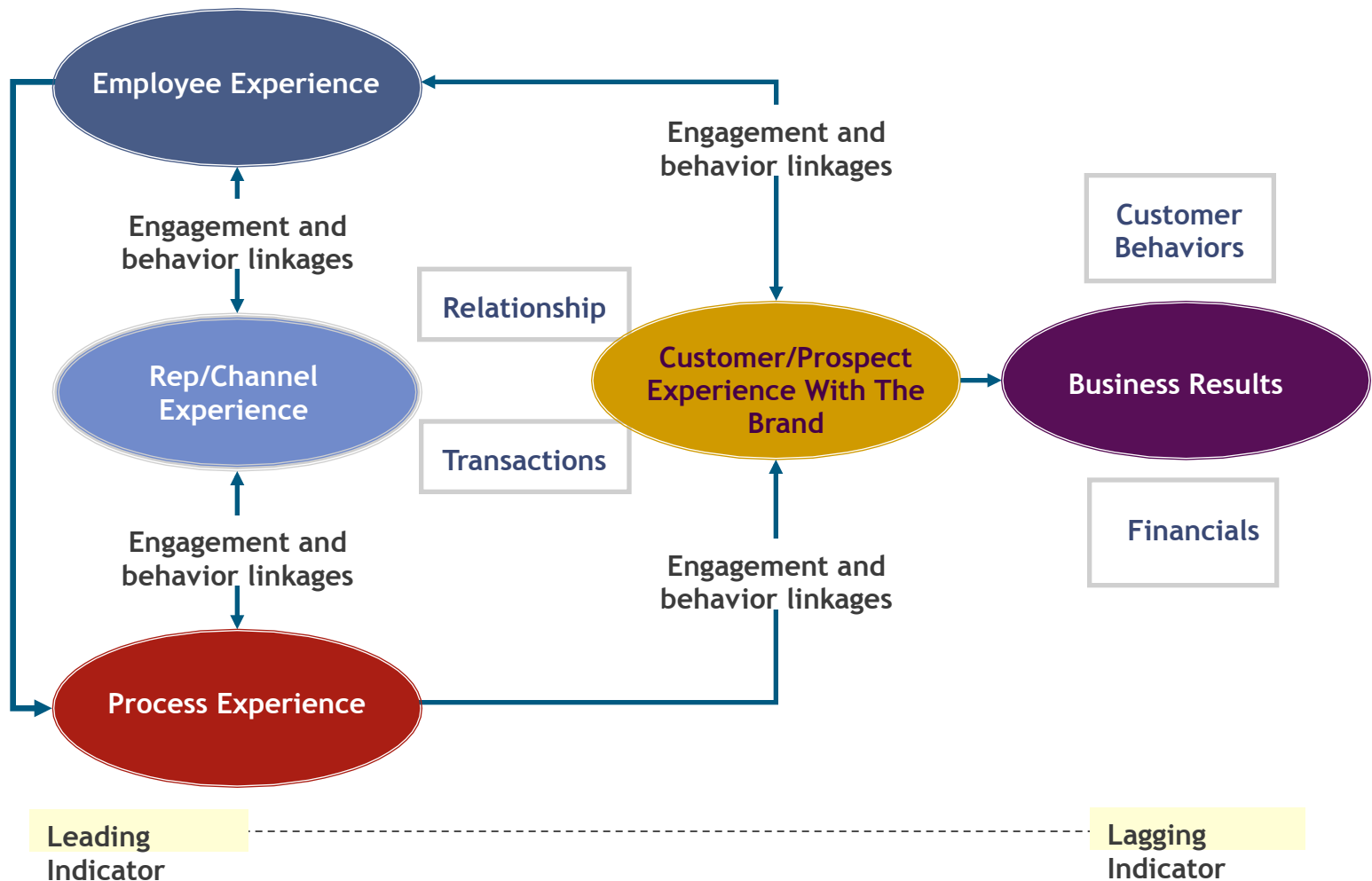
- Brand awareness
- Brand consideration
- Brand preference

- Revenue
- Market share

# Create Linkages And Leading-to-Lagging Indicators For Performance Improvement And Management



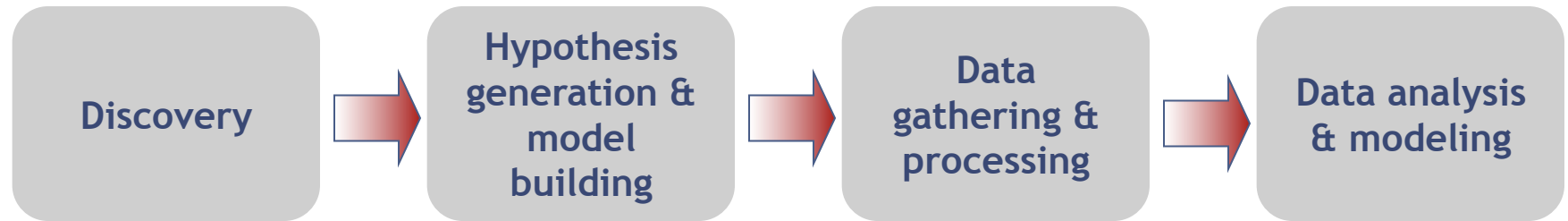
Linkage analysis can link a variety of measures, including brand, financial results, and customer, employee, channel, and process experience metrics.



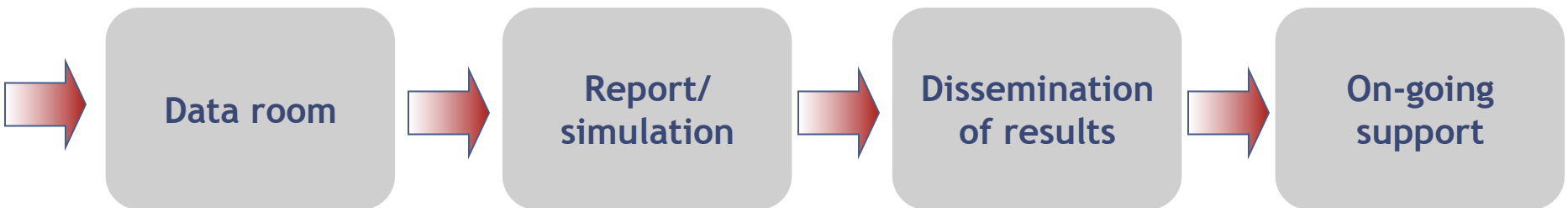


# Linkage & Management System Support Process: Overview

Hansa | GCR tailors the development of management systems that link customer and brand measures to business and other outcomes to each client's unique situation. The following illustrates an overall approach for developing a linked system of measures.



Training & Technical Support



Training & Technical Support



## Client Case Example



Data are disguised and modified to protect client confidentiality.

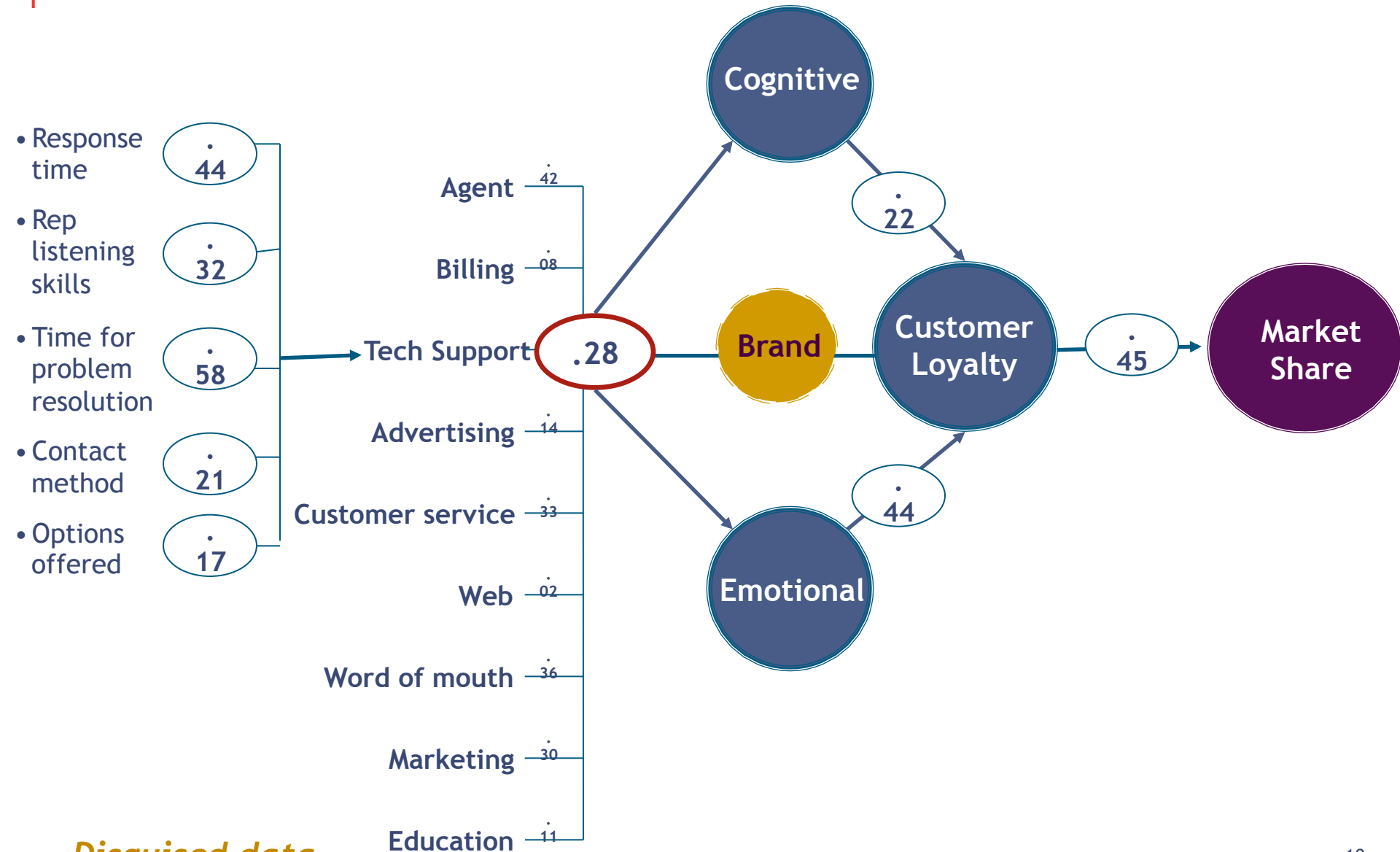




# Brand & Market Share Linkage Analysis

- A major global firm collected data on brand metrics annually over a nine year period.
- They wanted to know:
  1. Were brand metrics actually correlated with market performance?
  2. Which brand metrics were most critical to market performance or diagnostic of future performance?
  3. Did the relationship between metrics and performance differ by geography or customer segment?
  4. What could they do to enhance brand affinity and business results?
- Because market share is an aggregate measure, we created aggregate measures for brand metrics and modeled their relationship to market share.
- Our analysis uncovered some similarities across geographies and customer segments but also critical differences that explained performance variation across groups and identified some key metrics and actions for our client to pursue.

# We Identified Pathways, Drivers, And Driver Relative Impact On Customers/Prospects and Business Results



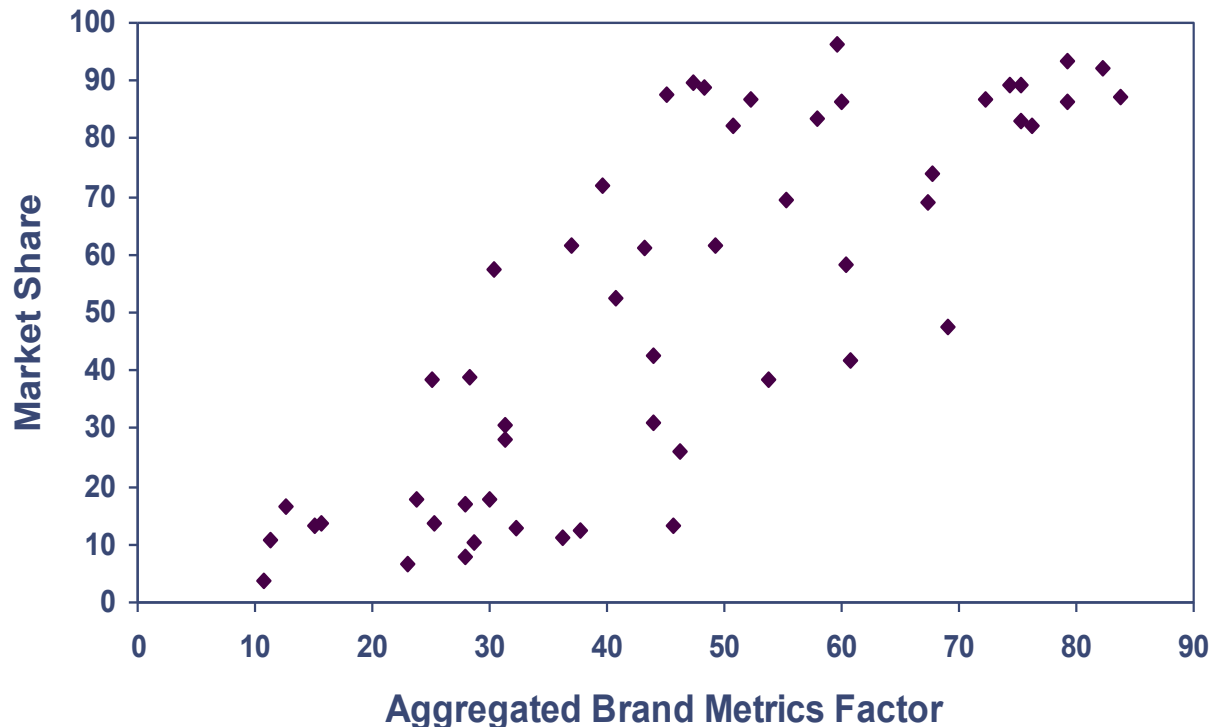
*Disguised data*



# Brand Metrics Strongly Predict Market Share

- Our initial model showed a very strong relationship between Market Share and a composite factor of brand metrics.
- Although intriguing, the initial model failed in Western Europe. Our client's market share was at odds with their brand equity. In contrast, US data were strongly aligned with the overall model.

Market Share and Brand Metrics

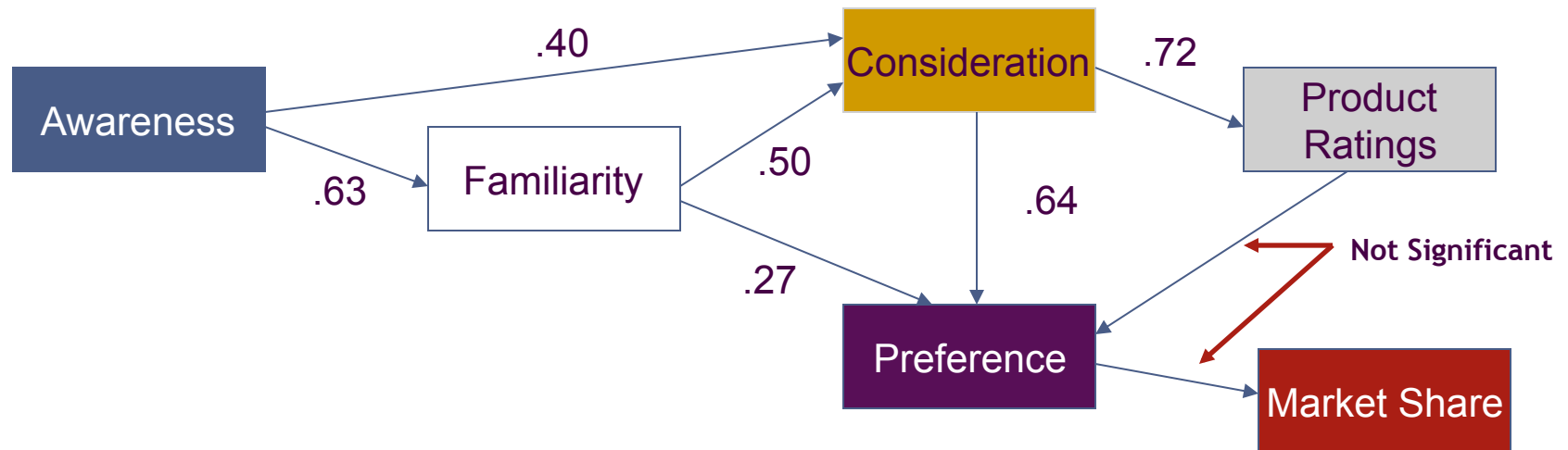




# Explaining The Western Europe Anomaly

- In Western Europe, Preference did not predict Market Share and Evaluation did not predict Preference.
- Our conclusion was that other market forces were driving preference and that our client and competitors were at an impasse on earning high product ratings from customers.

## Western Europe

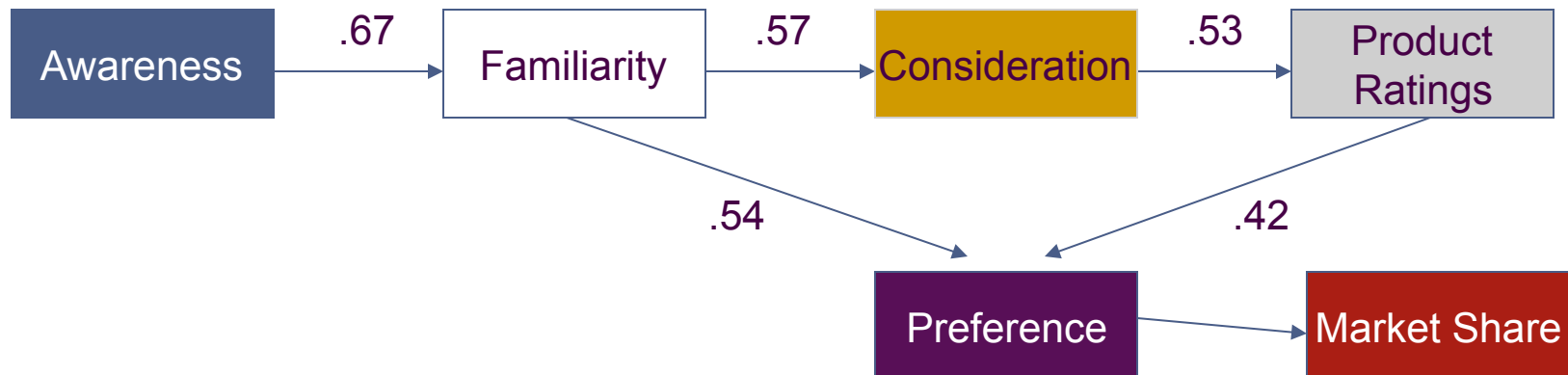




# The US Is A More Mature Market For Our Client

- In the US, in contrast, Product Ratings drove Preference and Consideration was only an indirect predictor of Preference.
- For our client, the US was a more mature market where customer behavior followed a different causal model.
- Examination of the data over time confirmed our interpretation. Market Share was a function of Preference when driven by Product Ratings but not when driven by Consideration.

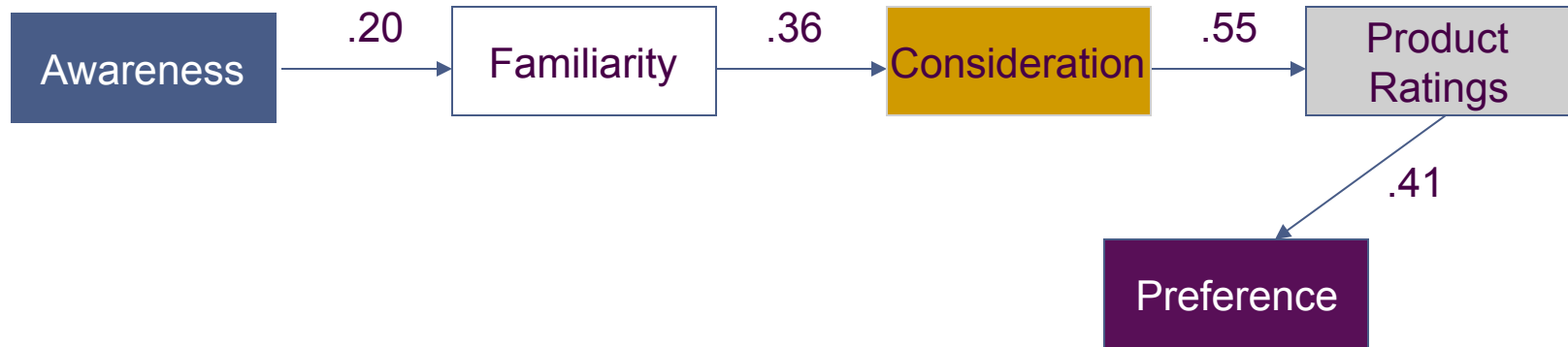
## United States



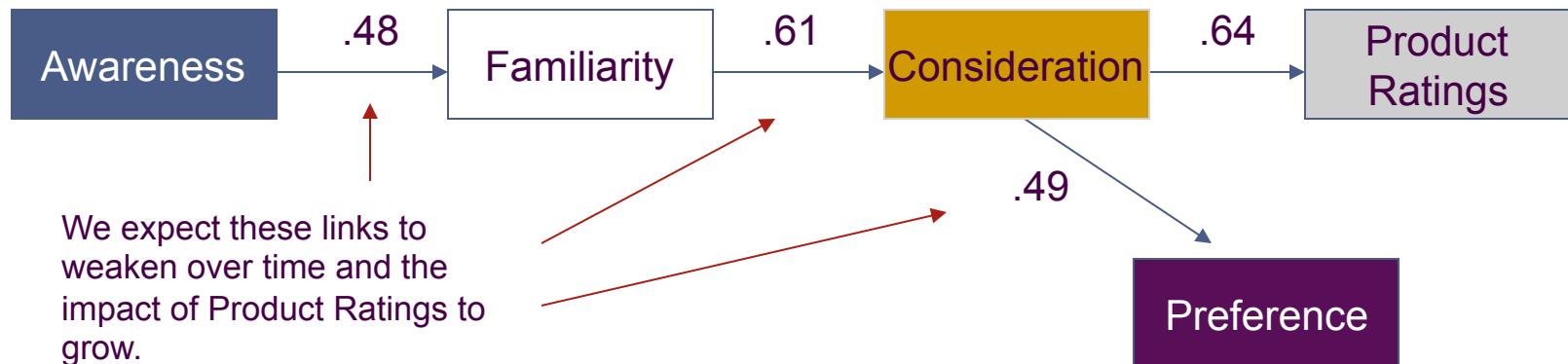


# Over Time, The European Market Will Evolve

## United States



## Western Europe



We expect these links to weaken over time and the impact of Product Ratings to grow.



## Outcome

For the first time, the client was able to see the impact of their brand on market share and business results. The system enabled the client to draw a line-of-sight from brand attributes and particular touchpoints that impacted brand consideration and preference to resulting market impact. This insight provided the client with priorities for business attention to increase market share.

## About Hansa | GCR

Hansa GCR is a full-service market research and consulting firm. Looking through the lens of the customer experience and applying psychological principles of human motivation, it offers best-in-class services in areas relating to Customer

Relationship Equity, Market Assessment, Branding, and Product/Service Innovation.

Hansa GCR is part of R K SWAMY HANSA, an emerging global group with 1,600+ professionals offering Creative Communication, Market

Research, Data Analytics, Brand Consulting, Interactive and Healthcare Communication services. For further information about Hansa |

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