

Romaniuta A.
Ya.V. Shmalenko, research supervisor
Yu.O. Polikarpova, language adviser
Melitopol Institute of Public and Municipal Administration
of the Classical Private University

BALANCED SCORECARD IN MARKETING

The role of strategic planning and controlling has increased due to tightening of competition, unstable economic and political situation in Ukraine and other factors. Getting profit is no more the main task of an enterprise. Nonfinancial goals are to be seen as prior ones: market penetration, granting competitive advantages, holding the clients, etc. Thus, the problem of their measuring arises. To estimate the level of goals achievement and discover new potentials of success is possible with the concept of the *Balanced Scorecard (BSC)*. In this abstract a scheme of a Balanced Scorecard construction is shown and its role in the marketing control of an enterprise is emphasized.

The Balanced Scorecard is a performance management approach that focuses on various overall performance indicators, often including customer perspective, internal-business processes, learning and growth and financials, to monitor progress toward organization's strategic goals. Each major unit throughout the organization often establishes its own scorecard which, in turn, is integrated with the scorecards of other units to achieve the scorecard of the overall organization.

Nowadays there are many ways of strategic planning. The most common are: *Applied Information Economics (AIE)*, *Economic Value Added (EVA)*, *Real Option Valuation (ROV)*, etc. But the Balanced Scorecard is one of the latest among them and has a lot of advantages.

First of all, it allows to transfer quality strategy into the language of figures. It is especially important in marketing, where it is not always easy to single out indicators, referring to marketing, not finances, production and sales. Thus, well-defined criteria of efficiency appear, and this motivates the staff to achieve goals faster.

The second advantage of the Balanced Scorecard is that it allows to transfer an enterprise's strategy from higher levels to lower ones, where it will be realized.

Thirdly, the Balanced Scorecard gives managers a tool to estimate the contribution of each measure into the company's success and define prospective directions (the potential of which has not been used properly) allocating scarce resources among different tools of the marketing complex.

Balanced Scorecard in marketing

Tool of marketing	Strategic goals	Indexes	Operative goals	Measures
Product	Increase customer satisfaction	Product's quality level	Decrease the level of waste to ... % in consignment	Raising the level of workers' skills, developing of technologies, etc.
	Renew assortment	Share of novelties in the annual sales volume	Increase the number of novelties on ... %	Regular control of changes in consumers' preference, marketing research
Price	Minimize costs as compared with competitors	Reserve of financial durability	Keep costs on the level of ... %	Analysis of waste and rework indexes, analysis of <i>cost-volume-profit</i> ratio
		Unit cost	Increase production volume on ... %	Search of constant suppliers, using new equipment
Distribution	Intensify promotion	Index of intensive distribution	Increase distribution to ... % a year	Bridging with customers, discounting, freight service
	Create reputation of a reliable supplier	Share of reclamation in total amounts of orders	Decrease share of reclamation to ... %	Execution of contracts, increasing product quality, decreasing waste
	Keep customers	Share of permanent consumers in sales volume	Increase the share of permanent consumers to ...%	ABC-analysis of clients
Promotion	Steady, trust relationships with clients	Efficiency of promotion measures	Increase profitability of advertisement on ... %	Carrying out advertising campaigns, increasing advertising expenses
	Fame and loyalty to trademark	Market share	Increase to ... %	

Moreover, Balanced Scorecard foresees a mechanism of feedback, which allows to react immediately on changes in business sphere and make correct strategic decisions. It also helps to change not only significance of particular indicators, but their set too. It could be said that the Balanced Scorecard stimulates strategic planning at an enterprise, motivating its managers to work out nonfinancial quantitative criteria, which are crucial in marketing.

The construction of Balanced Scorecard by marketing research, forecasting, fundamental analysis of external and internal business-sphere should be preceded by tools of marketing controlling: STEP-analysis, SWOT-analysis, analysis of product life, etc.

As a conclusion, the Balanced Scorecard can be very useful for an enterprise, because it allows to integrate processes of active and strategic planning in an organization. Long-term strategic goals are subdivided into short-term active goals. In achieving active goals, an enterprise gradually approaches strategic targets. Limitations of the Balanced Scorecard are connected with choosing indicators and introduction of the system.