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New Perspective on Brand Portfolio Management

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Abstract:

Purpose: *The purpose of the paper is to confront the STP (Segmentation, Targeting, Positioning) model and the EBM (Evidence-Based-Approach) concept concerning brand portfolio management (BPM) and aims to identify an approach that enhances an organization's ability achieve better market performance.*
Design/methodology/approach: *The quantitative and qualitative research methods were adopted for this study and applied to the analysis. The main study was preceded by qualitative research (in-depth interview (IDI) method) – the aim of which was to verify the research construct with academicians and practicians as well as pilot studies. The quantitative research was conducted using the computer assisted web interview (CAWI) method and conducted among 342 managers leading companies operating on the Polish market.*
Findings: *The findings indicated that STP is more popular approach to BPM than the EBM model, but not enough to be considered as a dominant one. At the same time, there were no analysis to support the thesis that organizations managing a brand portfolio based on the EBM concept achieve higher market performance and efficiency of marketing activities than organizations based on the STP approach.*
Practical Implications: *The most pivotal practical implication is that the explicitness and consistency of the implemented strategy are of significant importance for both the organization's market performance and the brand portfolio management.*
Originality/Value: *The research presented in the article contributes to the current literature and research on brand portfolio and provides insights into brand strategy development.*

Keywords: *Brand portfolio management, evidence-based marketing, STP approach, brand strategy.*

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1. Introduction

A discussion regarding the essence of marketing activities, their ambiguity and, above all, their weaknesses has a long history and rich literature (Barksdale and Darden, 1971; Bartles, 1951; Converse, 1945; Hunt, 1976; Kotler and Levy, 1969; Levitt, 1960; McKitterick, 1957). This debate intensified in the 1990s and at the beginning of the 21st century (Brady and Davis, 1993; Brownlie *et al.*, 1994; Kohli and Jaworski, 1993; Reibstein *et al.*, 2009; Rust *et al.*, 2010; Sheth and Sisodia, 2005; Slater and Narver, 1994; Webster, 1992; Webster, 2005). The traditional approach was contrasted with the need for changes in marketing philosophy, strategy and operational solutions.

As a result of the various critical opinions, new concepts and proposals emerged over the years, with the ambition to be considered a response to the search for a new marketing identity (Brownlie *et al.*, 1999; Harrigan and Hulbert, 2011; Kourdi, 2011; Shaw, 1998; Sheth and Sisodia, 2006). One of the directions of these explorations is evidence-based management, specifically evidence-based marketing. Evidence-based marketing (EBM) is defined as "a marketing activity in which decisions are based on reliable and generalised knowledge of how the world works, how customers buy and how marketing incentives and interventions affect them" (Sharp, 2013).

The EBM concept is part of a broader current called evidence-based practice (EBP), understood as practice fed by the best and most up-to-date knowledge, including knowledge from research (Rowley, 2012) or as the integration of the best research evidence on a given topic with existing practical experience, expertise and user preferences (Tranfield *et al.*, 2004). The idea of evidence-based management – understood as making better business decisions by integrating business expertise with the conscious, open and prudent use of the best evidence and taking into account the perspective of those affected (Collins *et al.*, 2008) – directly stems from the aforementioned concept.

In its assumptions, evidence-based management emphasises the role of research results in enriching existing expertise and practice, which ultimately leads to better decisions, better process and product innovation, improved business performance and scientific evidence support in the event of legal or commercial disputes (Brennan and Ankers, 2004; Brennan, 2008; Lee and Greenley, 2010; Reibstein *et al.*, 2009; Rowley, 2012). At the same time, EBM criticised the segmentation, targeting, positioning (STP) concept.

The STP model is one of the key marketing theories and, at the same time, is also one of the most often discussed and criticised concepts (Blois and Dibb, 2000). The origins of the concept and process of segmentation date back to the turn of the 19th and 20th centuries (Fullerton, 2012). However, it was only in the 1950s that segmentation gained its first full expression (Smith, 1956). Its dynamic development began in the 1970s and 1980s (Dickson and Ginter, 1987; Jones, 1973; Piercy and Morgan, 1993; Wind, 1978) and has continued to this day (Canhoto *et al.*, 2013; Hunt, 2011; McDonald and Dunbar, 2012; Thoeni *et al.*, 2016). Although STP is now the foundation of modern marketing science and practice, it is also subject to lively discussion and criticism.

One of the critics of the STP model is Byron Sharp, who bases his assessment mainly on the concept of evidence-based marketing and accuses the STP concept of lacking support in the real world and practical confirmation (Sharp, 2010). According to Sharp, STP is not a denial of reality, but its poor representation. Adopting Sharp's point of view means that segmentation may at best be a kind of 'market picture' at the time of the study and provides some information about its structure at the moment but – due to its instability – this tool should not be the basis for the marketing strategies of a company.

In turn, according to Sharp, the idea of targeting and positioning the offer to only selected parts of the market is a limiting concept and, additionally, it simply does not work in practice. Sharp's arguments are supported by a number of studies by other EBM authors which confirmed that brands competing in a given market have relatively similar consumer bases, regardless of their efforts related to the targeting and positioning of their offerings to specific market segments (Hammond *et al.*, 1996; Kennedy and Ehrenberg, 2000; Kennedy and Ehrenberg, 2001). The idea of targeted marketing, criticised by Sharp, is contrasted with the concept of 'sophisticated mass marketing' and the new paradigm of brand growth based on evidence-based marketing.

The criticism of the traditional approach to STP mainly concerns the growth potential of a single brand. It does not apply directly to an entire brand portfolio. At the same time, the number of brands in company portfolios has been growing significantly in recent years and management has focused more on the running of an entire portfolio rather than a single brand.

Globalisation, internationalisation of trade or increasing openness of markets to trade generally force companies to introduce new products and brands to the market and, consequently, to manage multi-brand portfolios. Brand portfolios managed by companies are expanded both as a result of organic growth (introduction of new lines and sub-brands) and as a result of mergers and acquisitions.

Consequently, an important and current challenge is to improve brand portfolio management that would allow for more effective competition. Taking into account the above, the aim of this article is to compare the STP model and the EBM concept concerning brand portfolio management and an organisation's ability to compete effectively and to gain better market performance.

2. Theoretical Background

2.1 The STP Concept – A Critical Approach

The origins of the concept and process of segmentation date back to the 19th century (Fullerton, 2012). Steinen's belief (1912) that the market has more than one component or Kliemann's view (1928) of the need to group people together in order to develop appropriate advertising methods for different market segments represented a turning point in looking at the market and laid the foundations for the segmentation concept. Despite previous segmentation-related work, Smith's approach (1956) is considered to be the beginning of formal thinking about the market in terms of segmentation and, thus, the STP concept and targeted marketing.

Smith (1956) saw the heterogeneous market as a set of smaller homogeneous areas that address diverse customer preferences and respond to the desire to achieve greater satisfaction from their varied needs. This paradigm shift started a revolution in marketing and laid the foundations for a discussion about the choice between mass or targeted marketing. The former assumes treating all customers as if they were the same and, therefore, offering them the same product and marketing mix. The aim of such activity is to achieve the effect of the economy of scale and maintain simplicity and control over the business. In this sense, mass marketing assumes homogeneity of demand, which results in a homogeneous marketing mix.

This is not the case if one assumes that demand is heterogeneous. A company then has two strategies to choose from (Smith, 1956). The first is the strategy of convergence or demand concentration, which is primarily associated with product differentiation strategies aimed at – as Smith himself calls it – bending the demand curve to the will of supply. The second is the strategy of divergence i.e., accepting the dispersed and heterogeneous nature of demand – these are the strategies of segmentation, which means adjusting the supply structure to the shape and structure of the market.

Segmentation, targeted marketing and STP are concepts well established in the world of marketing. The concept of market segmentation is one of the leading business ideas from the second half of the 20th century (Dibb and Simkin, 2001) – on the basis of which the strategies of many companies and brands were built. At the same time, the STP concept and the idea of market segmentation were being criticised. The numerous conditions for effective segmentation – as well as the multitude of options available for the selection of criteria, strategies and tools – make the risks associated with conducting the segmentation process seem significant and the list of possible reasons for the failure of targeted marketing is vast.

More than 20 years ago, Hooley and Saunders (2004) identified a number of potential problems related to the implementation of segmentation-based marketing. Areas and issues such as organisational structure (functional organisational silos may effectively block decisions and actions around market segments) or the phenomenon of political intra-company games (lack of cooperation between functions may prevent the effective implementation of STP) were emphasised. The organisational culture and strong attachment to values and modes of operation other than STP may hinder or prevent the implementation of STP. It was also indicated that reporting and information systems may be incompatible with the structure of segments, thus making it impossible, for example, to assess their attractiveness and not providing market feedback on the marketing activities undertaken.

Decision-making processes can also be a problem for segmentation. In order to operate effectively, STP must become a part of the standard processes of planning, decision making, resource allocation etc. within the company. STP is also limited by limited corporate capabilities. Companies may not have sufficient resources to successfully perform segmentation and reach either the selected or the most attractive segments. Finally, the implementation of STP may fail if it is not supported by all the other systems which exist in the company and these should be properly prepared and modified prior to the planned implementation.

The indicated weaknesses and limitations of STP show the scale of scientific uncertainty and implementation controversies. Nevertheless, STP is a well-assimilated concept and firmly rooted in the world of marketing. The vision of a structured and orderly market divided into distinctive segments which are appropriated by individual brands that communicate specifically to selected segments – with clear differentiators and positioning strategies – is intellectually attractive to the marketer and researcher.

Therefore, STP is a pillar on which many elements have been built, such as communication strategies, pricing strategies, brand growth philosophies or decisions and rules for building and managing a brand portfolio. The STP philosophy permeated the world of 20th-century marketing. The problem is that, according to many of the researchers cited above, the concept of STP may be questionable. There is little evidence of a successful, effective and stable implementation of segmentation and there are numerous voices criticising the theoretical 'normative segmentation' described above.

2.2 The EBM Model

The criticism of STP, together with the current of empirical generalisations, made it possible to build an alternative approach to brand development. The EBM model (Sharp, 2010) is probably the only comprehensive proposal, on a theoretical and practical level, which addresses the weaknesses of the STP concept and being a real option for it. Understanding the brand growth model promoted by Sharp and other authors requires an analysis of its basic assumptions on such evaluation areas as consumer behaviour, brand performance and advertising.

In the EBM approach, customers are perceived as cognitively distracted individuals with little involvement in brand purchases, driven by heuristics and attached to their shopping habits. Consumers are busy with brand purchases and are reluctant to learn new information. The key to accessing their minds is emotions that help to break through the cognitive barrier and gain attention. At the same time, brands once accepted often remain on the shopping list, however, this does not mean 100% loyalty.

According to EBM, brands grow thanks to the constant recruitment of new customers and, in doing so, compete with all brands in a given category. The degree of competition is proportional to the scale of the brand. In order to compete effectively, brands need to be easy to find, which is helped by a distinctive style, and the constant recruitment of new consumers can be achieved by means of sophisticated mass marketing tools such as advertising that builds relevant associations and memory structures and is carried by emotions. Sharp stresses the importance of building mental availability for the widest possible range of consumers, which – in addition to the right advertising message – can be ensured by continuous media presence and coverage. Marketing activities in the EBM approach are objective and their results can be measured using metrics that result from empirical generalisations i.e., free from deviations resulting, for example, from the current brand scale.

The brand growth model by EBM can be reduced to several key pillars such as penetration, availability (physical and mental) and distinctiveness. The first pillar is penetration. Based on the double-jeopardy law, Sharp proves that the basis for brand growth is to increase its penetration (Sharp and Romaniuk, 2016). According to this law, brands with small market shares generate fewer sales because they have fewer customers (first threat – lower penetration), who were additionally slightly less loyal (second threat – lower loyalty) compared to brands with a large market share (Ehrenberg, 1972; Ehrenberg *et al.,* 1990; Ehrenberg and Goodhardt, 2002). The increase in penetration can theoretically be achieved by acquiring new customers and/or reducing the churn of existing customers.

According to the EBM principles, a brand growth strategy should focus on building penetration through the acquisition of new customers as customer retention, like other indices, is subject to the double-jeopardy law. All brands lose customers (this is a normal process), while churn rates decrease as the brand’s market share increases. Additionally, it was confirmed that even 60% of the loss of buyers is beyond the marketer’s control (Bogomolova and Romaniuk, 2009).

When recruiting new buyers, special attention should be paid to light buyers (i.e., buyers who rarely buy in a given time perspective) in a specific category. The acquisition of new customers – especially light buyers – is crucial for the growth of the brand and marketing activities should focus on that. Additionally, as Harrison proves, the activities aimed at gaining new customers automatically reach the brand's current customers who have more frequent contact with the brand and its communication and are more open to its marketing activities (Harrison, 2013).

Brands should, therefore, increase their penetration and constantly search and recruit customers, which directly implies a demand to be accessible to all, everywhere and in every dimension both physically and mentally – which are the pillars of the brand growth model according to EBM. Physical availability is sometimes confused with the issue of distribution level. This is a mistake because physical availability is a much broader concept, including not only aspects related to the presence in the relevant channels and stores but also full-time accessibility, accessibility in financial terms as well as visibility and shopping navigation (Sharp and Romaniuk, 2016).

Sharp and Romaniuk (2016) lists three components of physical availability i.e., presence (related to decisions on channel selection, shops), relevance (related to decisions on other elements affecting ease of purchase e.g., price, packaging size etc.) and prominence (related to decisions on location of products at the point of sale and their communication, which translates into easy product finding).

Alongside physical availability, a key element of the EBM model is mental availability. It is defined as the tendency of the consumer to notice and/or think about the brand in shopping situations (Romaniuk and Sharp, 2004). Mental availability of a brand is necessary but it is not a sufficient condition for the purchase of a product. It is about whether the buyer is able to recall the brand and consider it as a shopping option in a shopping situation (Romaniuk, 2018). Mental availability as the key to fighting for a purchase transaction was indicated in research on the so-called 'consideration set' i.e., the repertoire of brands that buyers are considering on a given purchase occasion. It was confirmed that the consideration set is narrow (in the service market it may even be only one brand) and that the best way to find oneself in the repertoire of the brands under consideration is high mental availability.

This is largely independent, for example, from the actual level of competitiveness of the offer as most consumers do not make detailed comparisons in the purchasing process and move only within the repertoire of brands in the consideration set (Dawes *et al.,* 2009). The role of mental availability in building a brand's scale was also proven by the links between mental availability and the churn rate, which (as is known from the double-jeopardy law described above) is directly related to the brand sales volume. It was proven that the higher the mental availability of a brand, the lower the consumer churn rate (Romaniuk and Sharp, 2003). The measure of mental brand availability is, therefore, not brand awareness but mental market share, mental penetration and network size (Sharp and Romaniuk, 2016).

The third key pillar of the EBM model, which at the same time makes it easier for the consumer to find and recognise a brand in a crowded media and commercial environment despite the above-mentioned distributors, is distinctiveness. To understand the concept of distinctiveness, it needs to be juxtaposed and distinguished from the concept of differentiation, which is part of STP. Differentiation is a concept derived from classical economic theory and means offering the consumer a significant difference in what is offered (which is added value) that competitors do not give. Distinctiveness is brand identification and the way it is recognised, containing all sensory elements (visual, audio, fragrance, touch etc.) that stimulate brand recognition (Sharp and Romaniuk, 2016). Both concepts are linked by the goal of making the consumer choose the offer of a given brand. Differentiation and distinctiveness, however, offer a completely different perspective on how to get there.

The concept of distinctiveness proposed by Sharp is an alternative to differentiation. Shopping choices are not dictated by differentiation or emotion in relation to the brand, but its physical and mental availability as well as effective branding, whose primary purpose is to be able to identify the brand as the source of a product or service and gain a special role in a situation of communication congestion. This is facilitated by the characteristic style and distinctive assets (DA) which can, for example, include (Sharp, 2010):

- colours – for example, red for *Coca-Cola*
- logo – for example, *McDonald's* golden arches
- taglines – for example, *Nike*'s 'Just do it'
- symbols/figures – for example, Mickey Mouse
- celebrities – for example, Tiger Woods for *Nike*
- advertising styles – for example, the animated *Red Bull* style

and also (Sharp, 2016):

- music, jingles, sonic elements
- fonts, printing styles
- shapes and types of packaging closures
- and many other elements.

Distinctiveness in the EBM model combines with mental and physical availability and, consequently, with the level of brand penetration and provides a coherent model for brand growth. These key elements are treated as intangible assets of the organisation – the so-called 'market-based assets' – and their role in building not only brand growth but also the value of the entire organisation is emphasised (Sharp, 2010). The mental and physical availability and distinctive style of the brand all increase the effectiveness of the company, for example, through better recognisable advertising referring to the existing memory structures of the consumers (mental availability). These resources also bring security and stability to the organisation and make it independent of market fluctuations. It was proven that large brands have much lower flexibility to respond to economic fluctuations and mix marketing changes, and the above-mentioned market-based assets act as a market buffer protecting the brand.

The EBM brand growth concept is an alternative proposed as a consequence of the criticism of the STP concept. The EBM model, although relatively new, is also subject to criticism. The EBM's postulates and Sharp's proposals, similarly to STP, caused a lot of controversy, discussion and polemics. For example, the company *Kroger* proved that it achieved growth for 52 consecutive quarters by targeting its heavy buyers. In turn, *Nielsen Catalina* published the results of a meta-analysis of 500 brands of packed goods showing that targeting heavy buyers in TV and digital campaigns brings higher sales growth. Sharp is also accused of overlooking issues related to consumer experience with the product, influencers or online reviews (Neff, 2017).

An interesting approach to the EBM model was adopted by Biglione (2016), who – while agreeing with Sharp on the main theses – indicates some special cases. For example, by agreeing to the principle of broad presence, she also shows that a company with a very limited budget (e.g., starting a business) may benefit from narrow targeting because it cannot afford to achieve a broader reach.

It is certainly necessary to observe the ongoing discussion. The fact that the EBM concept is relatively new also implies its poor application. EBM is primarily concerned with brand growth in a competitive environment but the theses, and – above all – the empirical generalisations underlying them, can be applied in other areas – especially in the area of brand portfolio management.

2.3 Brand Portfolio Management and the EBM Model – Implications and Consequences

The EBM brand growth model described by Sharp refers primarily to the growth and construction of a single brand and the ways in which brands compete with each other. The multiplicity of brands in the market is an obvious element of this model but, usually, they are brands that create a competitive environment and, therefore, are hostile to each other and fight for the same consumers. On the other hand, the number of companies that manage more than two brands is growing rapidly. This creates a natural need to increase the efficiency and effectiveness of brand portfolio management (BPM).

Although brand portfolio management has a tradition of more than 100 years (Low and Fullerton, 1994), the development of BPM tools intensified in the middle of the 20th century and this is an area that continues to evolve. The current brand portfolios are distinguished by the fact that they are highly developed, tend to expand further and that only a small proportion of the brands in the portfolio are highly profitable (Kall and Hajdas, 2010). This is confirmed by market data. An average Fortune 1000 company currently manages a portfolio of more than 240 brands in various product categories (Davis, 2005).

The phenomena described above clearly show that the conditions for BPM processes are becoming increasingly more demanding for enterprises and the changes that are occurring at a rapid pace result in increased complexity and, simultaneously, reduced decision time and increased risk (Poulis, 2021). Companies, therefore, make mistakes but learn by stimulating the dynamic development of BPM knowledge and processes at the same time. Chailan even claims that the development of BPM portfolios and methods is a natural part of the company's 'biology', which evolves with the changing environment and the company itself (Chailan, 2010).

This natural process forces the identification of key areas related to portfolio management. The analysis of BPM-related literature allows for key areas such as portfolio expansion, brand extension, portfolio simplification or allocation of funds to be identified. References to these areas can also be found in Sharp's work.

As regards the issues related to brand launches, Sharp claims that, firstly, new brands grow in the same way as existing ones i.e., through increased penetration. First of all, new brands are bought by category heavy buyers, who are the most receptive group to new products in a given category. These consumers usually have the longest repertoire of the brands they buy and the lowest level of loyalty to a single brand; hence, in order to grow, a new brand needs to reach for light category buyers (build penetration).

Secondly, the loyalty levels of new brands are lower as compared to what would result from the double jeopardy law i.e., lower than the loyalty levels of existing brands with similar market shares. Sharp justifies this with the usual introductory strategy of marketing hits and resulting in a short-term 'purchase' of mental and physical availability, which quickly falls after the campaign. The brand thus gains a short leap in penetration but then loses a disproportionate number of customers. In the context of the above information, Sharp and Romaniuk propose a market launch model focused on building new brand penetration through (Sharp and Romaniuk, 2016):

- quickly ensuring the physical availability of the brand – at least on a scale that enables financing of sustainable marketing communications;
- providing sustained, wide-ranging marketing communications to reach medium and light category buyers according to their purchasing cycles;
- focusing on building memory structures that will primarily help in building the basis for the brand's mental availability – what the brand is, what it is called, to which category it belongs etc.;
- strong branding enabling the construction of a distinctive brand style and its recognition;
- making sure that brand purchase barriers are identified and removed on an ongoing basis.

With more than one brand in its portfolio, a company has to face decisions on the allocation of resources between brands. The dilemma of optimal allocation concerns all company resources (finances, people, equipment etc.) – especially marketing resources i.e., marketing budget. EBM does not offer direct guidance on how to manage the marketing budget when there are multiple brands in the portfolio. Indirectly, however, some clues can be drawn from the work of researchers. For example, considering the issue of budget allocation according to the criteria of the marketing target, the growth of penetration is the priority according to EBM.

Brands grow thanks to the growth of penetration (or, more specifically, acquisition), not the frequency of purchases, purchase per action, the percentage of repetitive transactions or other loyalty measures. It can, therefore, be stated that the company's goal is to build the broadest possible penetration of its brand portfolio. When looking at budget allocation from the point of view of the tools used and the marketing mix, based on the above-described works by Sharp and other authors, priority should consequently be given to the tools that build mental (e.g., advertising) and physical availability (e.g., distribution or building visibility in the store).

At the same time, Sharp is critical of the effectiveness (especially in the long run) of often used price promotions, strongly emphasising the need to invest in advertising. The golden proportion based on records is 60-40 i.e., 60% of the budget should be allocated to advertising and mental brand availability and 40% to possible short-term interventions such as It can, therefore, be concluded that the priority in terms of tools for the company should be advertising and measures to build the mental availability of brands in the portfolio. Only after addressing this issue (and in the context of the financial capacity and financial situation of the organisation) should the company invest in price promotions.

An alternative strategy of portfolio building to the introduction of a new brand is the extension of existing brands. The priority in brand extension is to maintain the distinctiveness and consistency of the parent brand and avoid the risk of 'dilution' of the brand's DA hence the need for consistency in terms of the DA used – especially the so-called 'fixed elements' (packaging colour, name, logo), which cannot differ between the parent brand and variants.

The number of variants and brands introduced should be determined by their ability to build additional portfolio penetration and possible constraints are related to the company's ability to build additional mental and physical availability (avoiding excessive cannibalisation) and the appropriate level of portfolio support (financial capacity and efficiency) as well as maintaining the characteristics of the parent brand(s). In particular, Sharp warns against hasty decisions to simplify the portfolio. In his opinion, any decision to divest a brand from the portfolio should be dictated solely by its lifetime (scale, growth capacity etc.) and financial/operational issues and, in no case, by its similarity (common target) to the other brands in the portfolio (Sharp, 2010).

It can be concluded that the relatively new evidence-based marketing translates into aspects related to brand construction and management. The empirical evidence does not support the logic of using STP. According to empirical generalisations, brands grow thanks to continuous effective acquisition of new consumers and building penetration, not by increasing sales to existing, selected (targeted) groups of consumers (segments). Competing brands have similar customer profiles and share a customer base and, when competing, match what they offer rather than differentiate it.

Customer attitudes are probabilistic, not constant over time and the basis for distinguishing a brand from its competitors is not positioning but its distinctive style. Consumer loyalty is a key factor in choice, but the form of this loyalty is behavioural, habitual (as opposed to loyalty as a conscious effect of the offer selection process) and aims to simplify the consumer's decision. The adopted principles of brand growth can be applied to brand portfolio management.

3. Empirical Research Design

3.1 Research Objectives, Hypotheses and Construct

The criticism of STP and the proposal of a new approach to brand portfolio management creates an alternative and provides an opportunity to increase the effectiveness of brand portfolio management. Therefore, the main objective of this research is to determine the degree of variation in the results of brand portfolio management achieved by organisations that use the STP model and those that are based on the EBM model. Criteria specific to the STP model and to the EBM model were defined based on analysis of the relevant literature. The favourability of the expected results was achieved based on the declared market performance. Two hypotheses were formulated for the defined objective:

H1: Brand portfolio management (BPM) in the surveyed organisations is mostly based on the traditional STP model.
H2: Organisations managing a brand portfolio based on the EBM concept achieve higher declared market performance than organisations based on the STP approach.

The adopted goal and research hypotheses determined the shape of the intellectual research construct – identification of the key variables, the relations between them and a definition and description of the independent (STP model – STP, EBM model – EBM) and dependent variable (Market Performance – MP). The starting point for the development of the independent variables was to select areas of brand portfolio management where both concepts would be compared.

On the basis of literature studies (Aaker, 2004; Morgan and Rego, 2009; Uggla, 2013), two basic directions of brand portfolio changes were identified – expansion and optimisation, for which the key areas of the organisation's activity were then identified. When describing the area of expansion, the focus was on areas of organic growth of the brand portfolio i.e., the introduction of a new brand or the expansion of an existing brand, while alliances or the purchase of brands were not taken into account (Riezebos, 2003).

The reason for this decision was to strive for maximum simplification of the model in light of the diversity and natural complexity of the surveyed area, which affected the level of complexity of the tools used (questionnaire) and, consequently, the potential quality of the data obtained. In describing activities related to portfolio optimisation, the focus was on issues linked with the allocation of the marketing budget as well as the area of brand portfolio reduction. In the case of portfolio reduction, the simplification involved limiting the considerations to the issue of removing the brand, leaving aside the strategy of milking, brand consolidation or brand sale issues.

In addition to the above-mentioned pursuit of maximum simplicity, the reason for these decisions was also to focus on aspects that emphasise the differences in the STP model versus the EBM model, which are the criteria for selecting a brand to be removed from the portfolio and the assumptions concerning the effects of such an operation. For the defined areas, the key features of the STP and EBM concepts for brand portfolio management (BPM) were summarised – as shown in Table 2.

Table 2. *Summary of key features of the STP and EBM concepts in the areas of brand portfolio management*

	STP model	EBM model
Launching new brands	New segment (market niche) as a prerequisite for launching a new brand	The ability to build physical availability (distribution) and then mental availability as a prerequisite for launching a new brand
	Unique positioning as a key condition for the success of a new brand	Distinctiveness as a key condition for the success of a new brand
	The new brand will take over customers from its closest competitor in the segment	The new brand will take over the turnover from all players in the category, in proportion to their scale, mainly from the leader
	One segment – one brand principle	Penetration as a primary objective
	Precision of positioning as a tool to increase brand scale	Distinctiveness of the brand (ease of recognition) is more important than positioning (uniqueness)
Brand extension	The basis for brand extension is the ability to enter a new, previously unsupported segment	The basis for brand extension is the possibility of building additional penetration

	The brand should not enter a segment served by another brand in the portfolio	Brands may be present in the same segment as long as they are distinct/characteristic
	The limits of brand extension are determined by its positioning	The limits of brand extension are determined by maintaining the characteristic style (distinctiveness) and financial parameters
Budget allocation	Differentiated investment priorities focused on targeted users (frequency of purchases, volume of purchases, loyalty)	Investment priorities related to building mental and physical availability (advertising, distribution)
	Key objective – increasing the share of requirements (SOR) of key users	Key objective: increase market presence – penetration
	Additional funds invested in unique brands (with clear USPs) as those with the greatest chances for growth	Additional funds invested to achieve incremental brand portfolio penetration
	Price promotions build consumption and buying habits	Price promotions are a short-term tool and do not build a customer base for the future
Brand portfolio simplificatio n	Elimination of internal competition of brands in the given segment as a legitimate reason for removing a certain brand from the portfolio	The only reason for removing a brand from the portfolio is financial parameters
	In the case of the necessity to remove a brand from the portfolio, the priority is given to duplicating brands present in the same segments, with similar positioning	In the case of the necessity to remove a brand from the portfolio, the priority is given to the smallest brands (with the lowest penetration and turnover) and the least distinctive ones
	The consumption of the removed brand will be transferred to other brands in the portfolio (reverse cannibalisation)	The consumption of the removed brand will be taken over by all brands on the market in proportion to their scale

Source: *Own elaboration.*

3.2 Research Methods and Sampling

The main study was preceded by qualitative research (in-depth interview (IDI) method) – the aim of which was to verify the research construct with academicians and practicians as well as pilot studies. The quantitative research was conducted in the second half of 2018 using the computer assisted web interview (CAWI) method.

The general population consisted of companies who conduct their market activity in Poland and manage at least three brands in their portfolios. The selection of the sample for the study was made using targeted selection (the selection criteria were the number of brands in the portfolio). After the formal technical and content-related analysis of the answers provided, 342 units were selected for final statistical analysis. The vast majority were industrial organisations as well as medium and large companies, with revenues ranging from EUR 2 to 10 million, that operate internationally (Table 3). In terms of portfolio size, all organisations in the sample managed a minimum of three brands (which was the result of targeted selection), of which 44% managed a portfolio of more than five brands. People taking an active part in brand portfolio management in the surveyed organisations were asked to participate in the survey.

Table 3. *Sample structure*

Sector	
Industry	51%
Agri-food processing	10%
Agriculture and fisheries	2%
Construction industry	5%
Banks	5%
Insurance, finance, law	4%
FMCG, trading	10%
Services	4%
Communications, IT, advertising, media	5%
Administration, education, health care	4%
Company size	
Up to 10 employees	1%
11 - 50	17%
51 - 250	30%
251 - 500	39%
Above 500	13%

Revenues	
Less than EUR 2 million	20%
EUR 2 - 10 million	41%
EUR 10.1 - 50 million	28%
More than EUR 50 million	11%
Scale of operations	
International	58%
Polish	32%
Local	10%

Source: *Own research, 2018 (N=342).*

The theoretical construct built made it possible to translate the key features of individual models into questions in the questionnaire, which allowed for the subsequent construction of an operational model and identification of independent variables - brand portfolio management models (EBM and STP) implemented by the organisation. It is worth noting that the STP and EBM models are alternative concepts for brand growth but they are not dichotomous in terms of individual behaviour. It is therefore possible that in one organisation there are behaviours that are characteristic of the STP model and, at the same time, the behaviours that are characteristic of the EBM model.

The difference lies largely in the composition and role of the individual components. Based on this information, it was therefore decided that the independent variables (dimensions describing the EBM and STP models) would be analysed as non-dichotomous variables (the possibility that the behaviour of the STP and EBM models occurs in a single organisation), which formed the basis for the subsequent construction of the measurement tool and for the analysis.

The participants were required to complete the survey, designed in the form of structured close-ended questions, which comprises of four sections. Section A was related on the portfolio expansion, section B gathered the respondents' opinions on the allocation of funds, section C asked the respondents their perception on brand extension and finally, section D was related to portfolio simplification. Statements reflecting the organisation's business practices and attitudes were measured on a five-point Osglood scale and statements reflecting the decisions-making criteria that the company would use were measured on a nominal scale.

The 0-1 system was adopted as the encoding rule for the nominal scales. For the Osgood scales, as an encoding rule, it was assumed that the value '1' would be assigned to attitudes clearly positive to the statement (i.e., scores 4 and 5 expressed by respondents based on a scale of 1-5), while negative or neutral attitudes (i.e., scores from 1 to 3) would be assigned '0'. This type of attribution directly results from the assumption that there is no dichotomy of independent variables – a negative attitude of the respondent towards the key statement for the EBM model does not mean that they agree to the statements according to the STP model, likewise a positive attitude towards statements specific to the EBM model does not exclude a positive attitude towards other statements - characteristic of the STP model. As a result, each of the models could receive from 0 to 16 points and the identification of the independent variables was designed as follows:

- STP variable (STP) – understood as the obtained number of indications to the dimensions describing the STP model (also expressed as a percentage of obtained points from the maximum 16);
- EBM variable (EBM) – understood as the obtained number of indications to the dimensions describing the EBM model (also expressed as a percentage of obtained points from the maximum 16).

In order to separate groups of entities implementing a specific model, the classification method was used which introduced a grouping variable called the Implemented Model (IM). When grouping, the possibility of the simultaneous occurrence of behaviour characteristic of both models in a given organisation was taken into account, as it was assumed that the IM variable would have four classes (groups):

- Integrating Model (M-INT) – organisations for which both the STP variable (STP) and the EBM variable (EBM) received more than 50% of the indications;
- STP model (M-STP) – organisations for which the STP variable (STP) received more than 50% of the indications and, at the same time, no more than 50% of the indications to the Sharp variable (EBM) was recorded;

- EBM model (M-EBM) – organisations for which the EBM variable (EBM) received more than 50% of the indications and, at the same time, no more than 50% of the indications to the STP variable (STP) was recorded;
- General Model (M-GEN) – organisations for which both the STP variable (STP) and the EBM variable (EBM) received less than 50% of the indications.

The identification of dependent variables – market performance and efficiency of market activities – was made on the basis of constructed indices i.e., market performance (MP) and efficiency of market activities (EMA). The first one (MP) consisted of the evaluation of revenues, profits, market shares and brand strength. Each of the elements was assessed on the Osgood scale in three perspectives: in relation to the previous year, in relation to the key competitor and in relation to market average, which in total gave twelve items constituting the aggregated MP index (calculated as an average of sub-ratings).

An exploratory factor analysis (EFA) was conducted to assess the internal structure of the MP scale. The degree of similarity between individual variables was determined using Pearson's correlation coefficient. The coefficients on the diagonal of the correlation preimage matrix exceeded the threshold value of 0.5. The Bartlett's test of sphericity was 2741.710 (approximate χ^2) at 66 degrees of freedom and the value of $p=0.000$ and the Kaiser-Meyer-Olkin (KMO) measure was 0.938. As a result of the exploratory factor analysis conducted using the method of generalised least squares, the twelve input variables were reduced to one dimension.

The total explained variance was 56.77% thus more than half of the overall input data variability was explained by the factor created. The factor loadings' matrix was rotated using the Varimax method with Kaiser normalisation. All factor loadings included in the separated factor were greater than 0.7. An analysis of the reliability of the scale showed that the consistency of the construct was very good – Cronbach's alpha was 0.938 and removing any of the variables would have reduced the reliability of the scale.

4. Results

4.1 STP or EBM – Predominant Approach

The first research hypothesis was the statement that brand portfolio management in the examined organisations is mostly based on the STP model. An average moment of assertion was assumed for the hypothesis, which resulted from the fact that it was created on the basis of a deduction process based on a literature analysis. When examining the values of the STP and EBM variables obtained by individual organisations, it was found that 46% of the surveyed companies were characterised by a higher intensity of the STP variable than the EBM variable.

The opposite situation was observed in the case of 37% of the surveyed organisations, while the equal results of the STP and EBM variables were obtained by 17% of the surveyed companies (Table 4).

Table 4. *The scope of the use of the STP and EBM models in the surveyed organisations*

Type of model used	Number of organisations	Percentage share
STP > EBM	157	46%
STP < EBM	128	37%
STP = EBM	57	17%
Total	342	100%

Source: *Own research, 2018 (N=342).*

The above information could lead to the conclusion that it is impossible to reject the H1 hypothesis; however, a deeper analysis showed that only 10% of the companies (34 out of 342) achieved the difference in STP versus EBM variables of five or more points (each of the variables expressed in points could be 0-16 points). The distribution of the number of the surveyed organisations, depending on the obtained difference between the STP and EBM variables (demonstrated as a percentage), is presented in Figure 1.

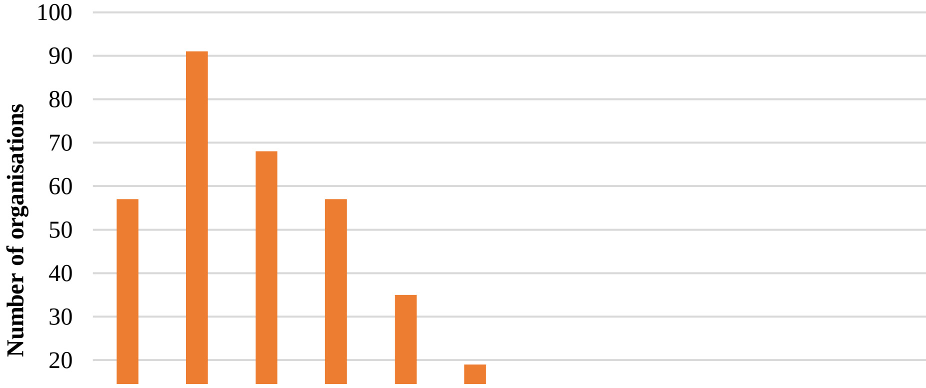
There is a clear decreasing relationship – the greater the difference between the values of the STP and EBM variables, the smaller the number of organisations representing it in the sample. The observed relationship was confirmed by an analysis using thresholds of variable intensity (understood as a percentage of the number of indications for a given model in relation to the maximum possible number of indications):

- with the condition of at least 60% of the STP variable intensity and, at the same time, less than 30% of the EBM variable value – only one entity meets the condition and three units meet the reverse condition.
- with the thresholds set at 50% for STP and 30% for EBM, respectively – the condition is met by 12 units, similarly as in the case of the reverse condition.

The information presented shows little polarisation of the data and confirms the thesis that the STP and EBM models are alternative concepts but are not dichotomous. It can be assumed that organisations, when managing their brand portfolio, do not make a formal consistent choice of one of the models, which indicates the need for a deeper analysis.

For this purpose, the implemented model (IM) grouping variable was used, for which – in accordance with the rules described above – the organisations were assigned to individual groups. This allowed for a better assessment of the situation in terms of the scale of application of individual models – as presented in Table 5.

Figure 1. *The number of organisations surveyed depending on the difference between the STP and EBM variables.*



Source: *Own research, 2018 (N=342).*

Table 5. *Distribution of the number of groups in the implemented model (IM) variable*

IMPLEMENTED MODEL	Frequency	Percentage	Valid percent'	Cumulative percent'
M-INT	72	21.1	21.1	21.1
M-STP	74	21.6	21.6	42.7
M-EBM	39	11.4	11.4	54.1
M-GEN	157	45.9	45.9	100.0
Total	342	100.0	100.0	

Source: *Own research, 2018 (N=342).*

When comparing only the popularity of the STP model with the EBM model, it can be concluded that the STP model is significantly more frequently used than the EBM model (21.6% frequency in the case of M-STP versus 11.4% for M-EBM). In order to verify the hypothesis regarding the frequency of use of the STP model in relation to the EBM model among the surveyed companies, the equality test of two structure indices was used, for which the materiality level of p=0.0002 was obtained.

Therefore, the hypothesis of the equal frequency of use of the STP and EBM models was rejected in favour of the hypothesis that STP is used more often than EBM. It should be noted, however, that the frequency of occurrence of the integrating model with a relatively high intensity of behaviours characteristic of both concepts (M-INT) is 21.1%; hence, it is almost as high as for STP. At the same time, the results of the analysis indicate the General group (M-GEN), whose size is almost half of the surveyed sample (45.9%), as the most numerous group of entities in which – based on the adopted construct – neither STP nor the EBM model can be assigned.

On the basis of the above conclusions, it should be concluded that in the light of the results obtained, the STP model is not the model on which brand portfolio management in the surveyed organisations is currently mostly based. It can be concluded that behaviours identified as characteristic of STP (M-STP group size) occur more frequently than behaviours characteristic of the EBM model (M-EBM group size), but not to the extent that it is possible to assign most of the entities surveyed to the STP model. It was, therefore, concluded that the H1 research hypothesis should be rejected.

4.2 Model Applied and Market Performance

The analysis of the scale of application of particular BPM models made it possible to identify a general or explicit BPM strategy as the main division between the surveyed organisations. The explicit strategy includes the integrating model (M-INT), the EBM model and the STP model. The scale of particular models' application actually varies depending on the area of brand portfolio management. This may indicate inconsistencies in the organisations' choices with regard to the adopted BPM models and is the reason for a small variation in the data. It should be noted that both strategies (explicit and general) are strongly based on financial and operational issues but the explicit strategy additionally strongly takes into account market and brand aspects related to BPM. Almost half of the companies surveyed apply the general strategy i.e., the one in which there is insufficient intensity of characteristic features of either the STP or the EBM approach.

These conclusions were taken into account in the next stage of the research work by analysing the relationship between the defined BPM models and the market performance of the organisations surveyed. This was intended to verify the H2 research hypothesis that organisations applying the EBM approach to brand portfolio management achieve higher declared market performance than the organisations that use the STP model.

In order to verify the H2 hypothesis, the differences between the examined groups of the IM variable at the level of the aggregated market performance (MP) index were analysed. To this end, a one-way between-group analysis of variance (ANOVA) was conducted. The results of the analysis showed that the compared groups differ significantly statistically: $F_{Welch's}$[4] (3; 114.94) = 21.33; $p < 0.001$; $\eta^2 = 0.18$, which means that the type of the implemented model (IM) differentiates values of the aggregated MP index and the observed effect is a relatively strong one (Cohen, 1988).

This also explains 18% of the total variability of the results obtained in the measured value of the aggregated MP index. The values of the MP index for particular groups (models) are presented in Table 6.

[4] *The Levene's test of homogeneity of variance showed that variances in the compared groups are heterogeneous (p<0.001) hence a correction on the number of Welch's degrees of freedom was applied.*

Table 6. *Implemented BPM model versus aggregated MP index*

Index	**M-INT** N = 72		**M-STP** N = 74		**M-EBM** N = 39		**M-GEN** N = 157	
MP	M	SD	M	SD	M	SD	M	SD
	4.00	0.80	3.77	0.56	3.54	0.60	3.34	0.44

Source: *Own research, 2018 (N=342).*

To determine which differences were statistically significant, post hoc tests were conducted. In light of the results of the Levene's test (uneven variances), the Games-Howell adjustment was adopted for the post hoc tests – as shown in Table 7.

Table 7. *Multiple comparison (Games-Howell post-hoc test) for the aggregated market performance index MP*

(I) IMPLEMENTED MODEL	(J) IMPLEMENTED MODEL	Mean difference (I-J)	Standard error	Significance
M-INT	M-STP	0.23079	0.11424	0.186
	M-EBM	**0.45922***	0.13380	0.005
	M-GEN	**0.65427***	0.10025	0.000
M-STP	M-INT	-0.23079	0.11424	0.186
	M-EBM	0.22843	0.11552	0.206
	M-GEN	**0.42347***	0.07412	0.000
M-EBM	M-INT	**-0.45922***	0.13380	0.005
	M-STP	-0.22843	0.11552	0.206
	M-GEN	0.19504	0.10171	0.234
M-GEN	M-INT	**-0.65427***	0.10025	0.000
	M-STP	**-0.42347***	0.07412	0.000
	M-EBM	-0.19504	0.10171	0.234

Note: ** The mean difference is significant at the 0.05 level.*
Source: *Own research, 2018 (N=342).*

The highest value of the aggregated MP index was recorded in the group of the surveyed entities implementing the M-INT integrating model – the average result in this group was statistically significantly higher than in the surveyed enterprises that apply the M-EBM ($p < 0.0$) and the companies that apply the M-GEN model ($p < 0.001$). Moreover, the companies which implemented the M-STP model achieved higher values of the MP index than the companies from the M-GEN group ($p<0.001$). It can be seen that the surveyed companies which implemented the M-GEN model achieved the lowest result of MP. A more conservative Tamhane's T2 test was also performed for comparison. The results of the Tamhane's test are consistent with those of the Games-Howell test although the materiality level varies slightly. Therefore, we can conclude – with a fairly high degree of certainty – that the average values in the indicated groups differ significantly statistically.

The results of the analysis showed that the organisations applying an explicit strategy, i.e., using the M-INT integrating model or one of the M-EBM or M-STP models, achieve significantly higher declared market performance values (aggregated MP) than the organisations which apply a general strategy (M-GEN group). At the same time, the results indicate that organisations which base their brand portfolio management on the EBM model do not achieve the declared market performance significantly higher than organisations using the STP model. The results of the aggregated MP index for the M-STP and M-EBM groups do not differ in a statistically significant way, meaning that the H2 research hypothesis should be rejected.

In light of the above conclusions, it seems that it is the explicitness of the BPM strategy that is the key factor influencing the declared market performance of the organisation and this factor is much more important than the type of model used. Moreover, if the values achieved by the STP and EBM variables are taken simultaneously as a kind of 'intensity of explicitness' of the BPM strategy, it can be seen that the higher the intensity, the better the declared market performance. The lowest values of the aggregated MP index were obtained by the M-GEN group i.e., organisations not assigned to any model. The second place (higher than M-GEN) in the order of indication of the aggregated MP index was obtained by groups assigned to one of the models; however, the type of assignment was not very important (the difference of M-GEN compared to the STP model is statistically significant but the difference between STP and the EBM model is not statistically significant hence the conclusion that there are no differences for aggregated MP between those models).

The highest indications of the aggregated MP index were obtained by the M-INT group, where assignment rates for both models (values of the STP and EBM variables) were higher than 50%. This can be interpreted by treating the explicitness of the BPM strategy as a kind of measure of 'market orientation' in terms of brand portfolio management.

5. Discussion and Conclusion

The aim of the research was to identify the brand portfolio management (BPM) model characterised by more favourable results for the organisation. Two alternative (but not dichotomous) models were compared – the one based on the STP concept and the one based on the EBM brand growth concept. In the context of the ongoing scientific discussion on brand growth models, as well as the EBM concept available as an alternative to STP, research hypotheses were constructed on the predominant scale of application of the STP model (H1), higher market performance (H2) of the organisations that manage their brand portfolio according to the EBM concept compared to those closer to STP.

The analysis made it possible to reject research hypotheses. In the case of the first hypothesis, STP is a more popular approach to BPM than the EBM model, but not enough to be considered the dominant behaviour model in this area. The low level of formal knowledge of BPM models (and EBM in particular) may be the reason why organisations do not make an informed choice of the model but rather make individual decisions based on the available knowledge (often related to traditional elements of STP) and, above all, market experience. This explains the clearly greater popularity of behaviours characteristic of the STP model in the area of brand introduction to the market (where STP suggests a structure of thinking about the market) and behaviours characteristic of the EBM model in the area of budget allocation (the model guidelines are probably intuitively consistent with the experience of companies). At the same time, this model of behaviour makes organisations inconsistent and, in fact, often follow a mixed model.

The research and analysis also resulted in the rejection of the second hypothesis that companies using the EBM approach achieve better market results. At the same time, however, there is a strong link between the explicitness of the strategy and market performance. The most explicit group (M-INT) achieved the highest aggregated values of the MP index. It can be assumed that it was possible due to the strong orientation and importance given to the issues related to the market aspects of brand portfolio management (the model used) and its results. This is in line with the conclusions from previous observations on the scale of application of the BPM models, which stated that it is the explicitness of the strategy (or lack thereof) is the main dividing line between the surveyed organisations.

It is somewhat surprising that, as part of an explicit strategy, there is no significant difference in the declared market performance for the EBM and STP models. Certainly, the small number of organisations mentioned above, characterised by a large difference between the STP and EBM variables, is of importance. This means that organisations implement different models in individual BPM areas and the final assignment to a given model is not the result of a consistent strategy but the result of the behaviour/models adopted in specific areas. This also explains why, for most organisations, the final values of STP and EBM variables are not so distant, while the variation within individual BPM areas is much higher.

Finally, the proximity of the values of STP and EBM variables explains the proximity of the MP results. In other words, one can be tempted to say that it is not the type of strategy itself that is crucial, but its explicitness – understood as the consequences and intensity of implementation.

An interesting research problem that emerges for future research is to check how the adopted BPM model affects the results of the organisation's activities in a given area (brand introduction, budget allocation, brand extension, portfolio simplification). It can be assumed that the STP results versus the EBM results will be more diverse.

The conducted research does not allow for this because the analysis of the correlation between the BPM model adopted in a given area and the organisation's market performance would require an assessment of the area's role in the shaping of market performance as a moderating variable, which would require additional research. In addition, the analysis made at the level of individual areas would require a more individualised selection of performance indices and time horizon as portfolio simplification, for example, in the annual perspective will usually have a negative effect on revenues, regardless of the adopted BPM model.

6. Practical Implications, Research Limitations and Future Studies

In terms of practical applications of the results of the research, the conclusion that the explicitness and consistency of the implemented strategy are of significant importance for the organisation's market performance and, also, in the area of brand portfolio management seems to be crucial. This conclusion leads to recommendations for companies concerning the building of marketing knowledge and competencies that enable explicit BPM strategies to be created and implemented i.e., those that are oriented towards market and brand aspects, and not only financial and parametric issues. The assumption of investing in building marketing competencies is not new but – in the context of the analysed research results – it received additional support. Before drawing final conclusions, it is also necessary to check how the implemented brand portfolio management strategy and the adopted models translate into the efficiency of the organisation's market activities.

As far as recommendations for practice are concerned, the results obtained do not allow to clearly indicate the model of brand portfolio management that should be implemented. The basic recommendation for business practice should be a greater focus on the market aspects of BPM-related decisions, not being limited to financial aspects alone and the overall business context. In other words, the recommendation would be to increase the explicitness of the adopted strategy of brand portfolio management, regardless of the adopted BPM model (which, in fact, may vary from area to area – brand introduction, budget allocation, brand extension, portfolio simplification).

In the context of the interpretations adopted in the paper, it can be proposed that the realisation of the postulation to increase the explicitness of the strategy should be made on two levels. The first is to increase the level of formal knowledge of existing BPM models, guidelines and techniques, and – in particular – to accelerate the diffusion of new knowledge in this area. The second level is to build a base for the organisation's own unique knowledge resulting from the market experience gathered and conclusions.

A number of solutions supporting knowledge management in an organisation are available on the market, based both on formal systems (e.g., SAP) enabling, for example, post-evaluation of conducted promotional campaigns, and on systems facilitating the flow of knowledge within the organisation (e.g., Yammer). The combination of both levels of knowledge building will enable organisations to create a resource of conscious knowledge, a habit of reflection and, consequently, a resource of tacit knowledge and business intuition enabling the best patterns of behaviour to be developed.

The above conclusions pave the way for continuing and undertaking new research in the area of brand portfolio management. An indication of possible directions for further research is also determined by the awareness of research limitations, which were the basis of our analyses and conclusions. The first limitation is the way the organisation's performance is measured. Although, based on the conclusions of Ambler and Kokkinaki (1997), perception data was considered to be an acceptable way of measuring the organisation's business performance, the supplementation of knowledge with directly transactional information resulting from customers' purchasing behaviour would allow for greater objectivity and precision of assessment as well as (with a properly selected methodology) enabling a more detailed analysis in particular areas of brand portfolio management.

Another limitation of the research was also the deliberate selection of the sample. Although the sample size of 342 units was significant, the lack of randomness of the selection and the lack of a larger sample size makes it impossible to treat the results of the survey as representative. A natural limitation of the research is the intellectual construct itself. The latent nature of the independent variables made it necessary to introduce certain assumptions about the EBM and STP models. This means that the research results obtained can only be considered in the context and framework defined by the adopted construct.

The postulated direction of further research would certainly be a more detailed analysis of particular areas of BPM and the relations between the behaviours implemented by organisations in a given area and their performance. Such research would require the development of a separate methodology as well as supplementing the intellectual construct with more precise descriptions of behaviours (markers) characteristic of particular BPM models. It seems to be an interesting idea to examine the interdependence of individual practices with the performance of the organisation in a given area. Perhaps this would make it possible to determine the key (associated with the best results) behaviours of the organisation and check which models they belong to.

As a consequence, it could lead to the creation of a completely new model consisting of the 'most efficient' BPM behaviours. Certainly, further work on the issues raised and possible research projects should be conducted on larger samples selected at random and through direct forms of transactional data collection. This obviously requires a lot more resources. Due to the level of costs, the first step seems to be to conduct case studies, which will make it possible to refer to both the conclusions of the research already conducted and, above all, to design further quantitative studies more precisely.

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