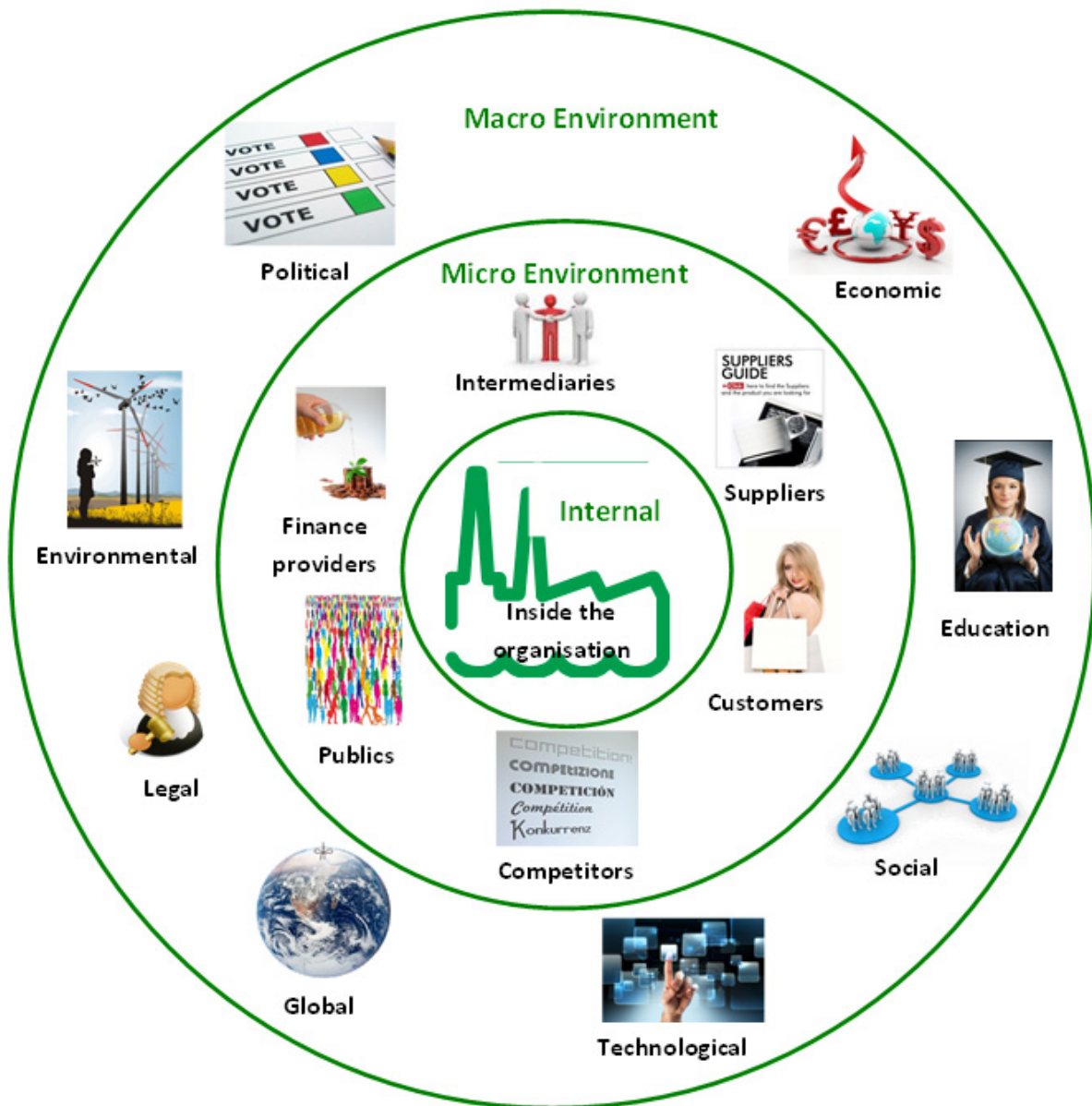


THE MARKETING AUDIT

A marketing audit covers three areas:

- Internal environments
- Micro environment
- Macro environment

The main areas covered for each area are shown here:



Internal environment

- Strategy** - Previous and current marketing objectives and strategy
- Suitability to the current/forecast environment
- Organisation** - Structural capability of the organisation and suitability to implement the strategy
- Also need to consider
 - Financial/Commercial capacity
 - Resources
 - Human
 - IT
 - Consider 5M's + K (Men, Money, Minutes, Machines, Materials, Knowledge)
 - Any other significant factors
- Systems** - Systems for analysis, planning and control
- Productivity** - Profitability of all aspects of the marketing programme and the cost effectiveness of marketing expenditure
- Functions** - The current marketing mix and its effectiveness
- Product – including product life cycle and portfolio analysis
 - Price
 - Promotion
 - Place
 - People
 - Process
 - Physical evidence

Additional areas for the internal environment:

- Porter's value chain
- Gap analysis

Micro environment

Market Definition

- What market do we compete in?
- To which customers?
- Via which channels?

The Sherratt Market Environment Matrix:

| | Customer <i>Who are they? Who are the targets? How can they be better served? How much involvement? What type of purchase?</i> | Competitor <i>Who?</i> |
|---|--|---|
| Industry Lifecycle stage Strategic groups | <i>Our strategic group – customer perception</i> | <i>Competitors in strategic group Competitors in other groups Aspirational competitors to our group</i> |
| Market Unit sales £ sales Profitability Market size Market share No. of main customers No. of dealers/distributors | <i>Broken into segments</i> | <i>Competitor figures Benchmark factors?</i> |

Additional areas for the micro environment:

- Porter's Five Forces model for competitor analysis
- Market map, supply chain
- Wider stakeholders
 - o Suppliers
 - o Financiers
 - o Local community
 - o Pressure groups

Macro Environment

| | Current situation | Potential future situation |
|-----------------------------|-------------------|----------------------------|
| Political | | |
| Economic | | |
| Social | | |
| Technological | | |
| Environmental | | |
| Legal | | |
| Global/international | | |
| Education | | |
| Ethics | | |

SWOT Analysis

The summary of the audit:

- Based on the above factors
- Prioritised key issues

Some key points for the audit:

- The audit should be factual, opinion is not required
- Recommendations and suggestions for the future are not appropriate in the audit

Footnote - Caution: Remember, this is an outline guide only and any marketing audit needs to be tailored to the specific requirements of the prevailing environment, the sector and the required outcomes of the plan to be generated which may require different areas and models to be considered.