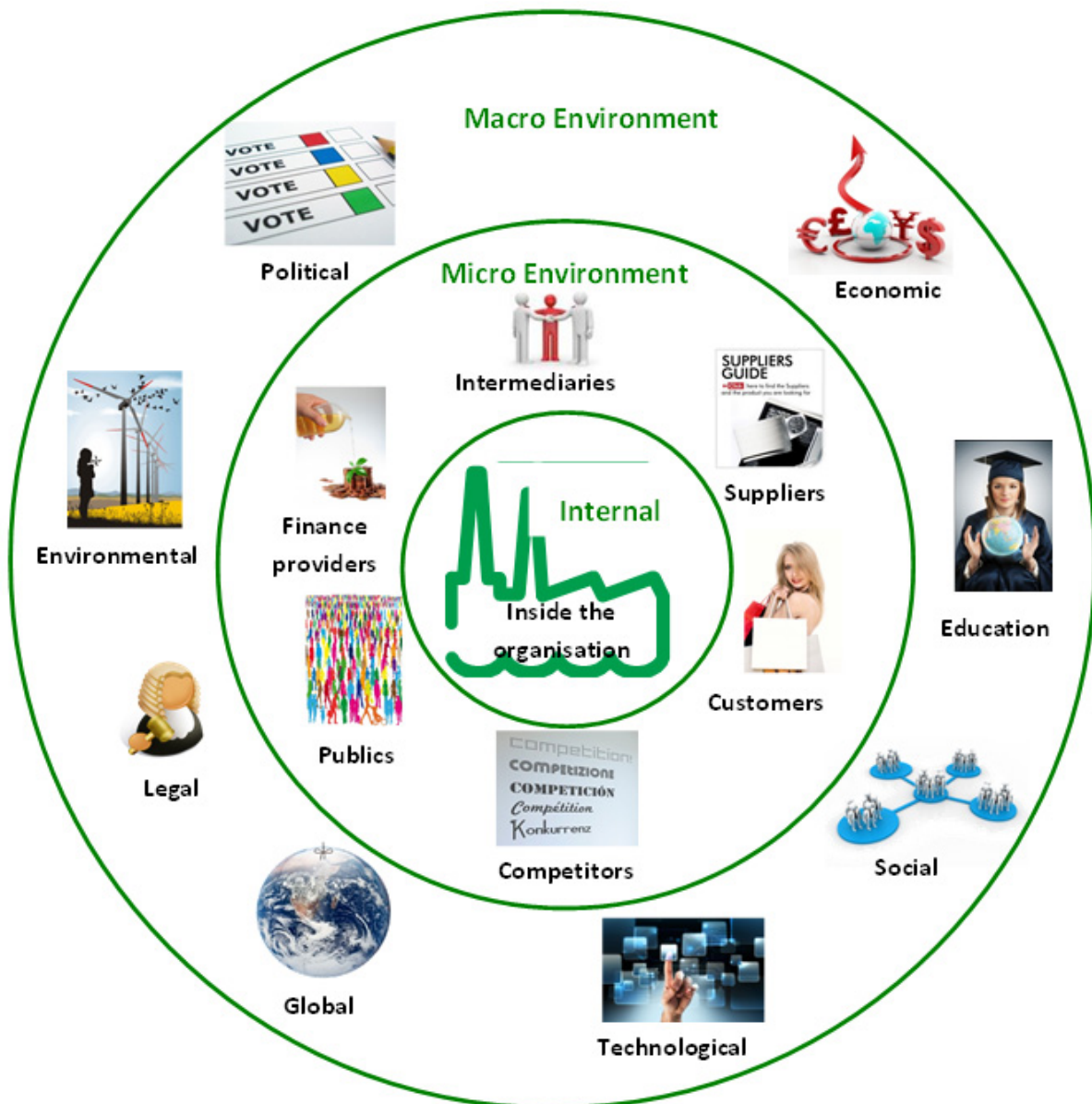


## THE MARKETING AUDIT

A marketing audit covers three areas:

- Internal environments
- Micro environment
- Macro environment

The main areas covered for each area are shown here:



## **Audit purpose**

The purpose of the audit is to understand the current situation and potential future changes which will impact on the organisation. It is information gathering which can come from a variety of sources – internal and external and through both primary and secondary research. The audit may highlight particular areas which need to be addressed – opportunities to take advantage of or threats to minimise.

For CIM assessments the audit should be focussed on areas related to the scenario chosen from the brief, highlighting that there is a need for a plan based on the chosen scenario.

## **Audit structure**

There is no specific structure required for the format of the audit, although it is helpful to have a logical sequence of internal environment, micro environment and macro environment (or the other way round) followed by the SWOT analysis.

## **Internal environment**

- |                     |  |
|---------------------|--|
| <b>Strategy</b>     | - Previous and current marketing objectives and strategy <ul style="list-style-type: none"><li>○ Suitability to the current/forecast environment</li></ul>   |
| <b>Organisation</b> | - Structural capability of the organisation and suitability to implement the strategy <ul style="list-style-type: none"><li>- Also need to consider<ul style="list-style-type: none"><li>○ Financial/Commercial capacity</li><li>○ Resources<ul style="list-style-type: none"><li>▪ Human</li><li>▪ IT</li><li>▪ Consider 5M's + K (Men, Money, Minutes, Machines, Materials, Knowledge)</li></ul></li><li>○ Any other significant factors</li></ul></li></ul> |
| <b>Systems</b>      | - Systems for analysis, planning and control   |
| <b>Productivity</b> | - Profitability of all aspects of the marketing programme and the cost effectiveness of marketing expenditure  |
| <b>Functions</b>    | - The current marketing mix and its effectiveness <ul style="list-style-type: none"><li>○ Product – including product life cycle and portfolio analysis</li><li>○ Price</li><li>○ Promotion</li><li>○ Place</li><li>○ People</li><li>○ Process</li><li>○ Physical evidence</li></ul>   |

### **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?

Tools to use for the Micro Environment analysis:

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

Consider the impact and influence of all micro environment elements shown on page one:

- Customers
- Intermediaries
- Competitors
- Finance providers
- Suppliers
- Publics

The Sherratt Market Environment Matrix (can be used as part of the Micro Environment analysis):

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

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## Macro Environment

	Current situation	Potential future situation
<b>Political</b>		
<b>Economic</b>		
<b>Social</b>		
<b>Technological</b>		
<b>Environmental</b>		
<b>Legal</b>		
<b>Global/international</b>		
<b>Education</b>		
<b>Ethics</b>		

## SWOT Analysis

The summary of the audit:

- Based on the above factors
- Prioritised key issues
- Strengths and weaknesses - based on the organisation's competitive position
- Opportunities and threats – favourable and unfavourable factors from the external environment

### 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.