

Component of marketing audit

Section 1.: Marketing environment audit

Section 1.1: Macro Environment

A. Demographic	What major demographic developments and trends pose opportunities or threats to this company? What action has the company taken in response to these developments and trends?
B. Economic	What major developments in income, prices, savings, and credit will affect the company? What action has the company taken in response to these developments and trends?
C. Environmental	What is the outlook for the cost and availability of natural resources and energy needed by the company? What concerns have been expressed about the company's role in pollution and conservation, and what steps has the company taken?
D. Technological	What major changes are occurring in product and process technology? What is the company's positioning in these technologies? What major generic substitutes might replace this product.
E. Political	What changes in laws and regulations might affect marketing strategy and tactic? What is happening in the areas of pollution control, equal employment opportunity, product safety, advertising, price control and so forth that affects marketing strategy?
F. Cultural	What is the public's attitude toward business and toward the company's products? What changes in customer lifestyles and values might affect the company?

Section 1.2: Task Environment

A. Market	What is happening to market size, growth, geographical distribution, and profits? What are the major market segments?
B. Customers	What are the customers' needs and buying processes? How do customers and prospects rate the company and its competitors on reputation, product quality, service, sales force, and price? How do different customer segments make their buying decisions?
C. Competitors	Who are the major competitors? What are their objectives, strategies, strengths, weaknesses, sizes, and market shares? What trends will affect future competition and substitutes for the company's products?
D. Distribution and dealers	What are the main trade channels for bringing products to customers? What are the efficiency levels and growth potentials of the different trade channels?
E. Suppliers	What is the outlook for the availability of key resources used in production? What trends are occurring among suppliers?
F. Facilitators and marketing firms	What is the cost and availability outlook for transportation services, warehousing facilities, and financial resources? How effective are the company's advertising agencies and marketing research firms?
G. Publics	Which publics represent particular opportunities or problems for the company? What steps has the company taken to deal effectively with each public?

Section 2 Marketing strategy audit

A. Business mission	Is the business mission clearly stated in market-oriented terms? Is it feasible?
B. Marketing objectives and goals	Are the company and marketing objectives and goals stated clearly enough to guide marketing planning and performance measurement? Are the marketing objectives appropriate, given the company's competitive position, resources, and opportunities?
C. Strategy	Has the management articulated a clear marketing strategy for achieving its marketing objectives? Is the strategy convincing? Is the strategy appropriate to the stage of the product life cycle, competitors' strategies, and the state of the economy? Is the company using the best basis for market segmentation? Does it have clear criteria for rating the segments and choosing the best ones? Has it developed accurate profiles of each target segment? Has the company developed an effective positioning and marketing mix for each target segment? Are marketing resources allocated optimally to the major elements of the marketing mix? Are enough resources or too many resources budgeted to accomplish the marketing objectives?

Section 3 Marketing organisation audit

A. Formal Structure	Does the marketing vice-president have adequate authority and responsibility for company activities that affect customers' satisfaction? Are the marketing activities optimally structured along functional, product, segment, end-user, and geographical lines?
B. Functional efficiency	Are these good communication and working relations between marketing and sales? Is the product management system working effectively? Are product managers able to plan profits or only sales volume? Are there any groups in marketing that need more training, motivation, supervision, or evaluation?
C. Inference efficiency	Are there any problems between marketing and manufacturing, R&D, purchasing, finance, accounting, and/or legal that need attention?

Section 4: Marketing system audit

A. Marketing information system	Is the marketing intelligence system producing accurate, sufficient, and timely information about marketplace developments with respect to customers, prospects, distributors and dealers, competitors, suppliers, and various publics? Are company decision makers asking for enough marketing research, and are they using the results? Is the company employing the best methods for market measurement and sales forecasting?
B. Marketing planning system	Is the marketing planning system well conceived and effectively used? Do marketers have decision support systems available? Does the planning system result in acceptable sales targets and quotas?
C. Marketing control system	Are the control procedures adequate to ensure that the annual-plan objectives are being achieved? Does management periodically analyze the profitability of products, markets, territories, and channels of distribution? Are marketing costs and productivity periodically examined?
4. New product development system	Is the company well organized to gather, generate, and screen new-product ideas? Does the company do adequate concept research and business analysis before investing in new ideas? Does the company carry out adequate product and market testing before launching new products?

Section 5: Marketing productivity audit

A. Profitability analysis	What is the profitability of the company's different products, markets, territories, and channels of distribution? Should the company enter, expand, contract, or withdraw from any business segments?
B. Cost effectiveness analysis	Do any marketing activities seem to have excessive costs? Can cost-reducing steps be taken?

Section 6: marketing function audit

A. Product	What are the company's product-line objectives? Are they sound? Is the current product line meeting the objectives? Should the product line be stretched or contracted upward, downward, or both ways? Which products should be phased out? Which products should be added? What are the buyers' knowledge and attitudes toward the company's and competitors' product quality, features, styling, brand names, and so on? What areas of product and brand strategy need improvement?
B. Price	What are the company's pricing objectives, policies, strategies, and procedures? To what extent are prices set on cost, demand, and competitive criteria? Do the customers see the company's prices as being in line with the value of its offer? What does management know about the price elasticity of demand, experience-curve effects, and competitors' prices and pricing policies? To what extent are price policies compatible with the needs of distributors and dealers, suppliers, and government regulation?
C. Distribution	What are the company's distribution objectives and strategies? Is there adequate market coverage and service? How effective are distributors, dealers, manufacturers' representatives, brokers, agents, and others? Should the company consider changing its distribution channels?
D. Advertising, sales promotion, publicity and direct marketing	What are the organisation's advertising objectives? Are they sound? Is the right amount being spent on advertising? Are the ad themes and copy effective? What do customers and the public think about the advertising? Are the advertising media well chosen? Is the internal

	advertising staff adequate? Is the sales promotion budget adequate? Is there effective and sufficient use of sales promotion tools such as samples coupons, displays, and sales contests? Is the public relations staff competent and creative? Is the company making enough use of direct, online, and database marketing?
E. Sales force	What are the sales force's objectives? Is the sales force large enough to accomplish the company's objectives? Is the sales force organised along the proper principles of specialisation (territory, market, product)? Are there enough (or too many) sales managers to guide the field sales representatives? Do the sales-compensation level and structure provide adequate incentive and reward? Does the sales force show high morale, ability, and effort? Are the procedures adequate for setting quotas and evaluating performance? How does the company's salesforce compare to competitors' sales forces?

Section 7: Marketing excellent review

Poor	Good	Excellent
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<ul style="list-style-type: none"> ● Product driven ● Mass market oriented ● Product offer ● Average product quality ● Average service quality ● End-product oriented ● Function oriented ● Reacting to competitors ● Supplier exploitation ● Dealer exploration ● Price driven ● Average speed ● Hierarchy ● Vertical integration ● Stockholder driven 	<ul style="list-style-type: none"> ● Market driven ● Segment oriented ● Augmented Product offer ● Better than Average product quality ● Better than Average service quality ● Core-product oriented ● Process oriented ● Benchmarking competitors ● Supplier preference ● Dealer support ● Quality driven ● Better than average speed ● Network ● Flattened organisation ● Stockholder driven 	<ul style="list-style-type: none"> ● Market driven ● Niche oriented and customer-oriented ● Customer solution offer ● Legendary product quality ● Legendary service quality ● Core competencies oriented ● Outcome oriented ● Leapfrogging competitors ● Supplier partnership ● Dealer partnership ● Value driven ● Legendary speed ● Teamwork ● Strategic alliances ● Stockholder driven
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Section 8: Ethical and social responsibility review

A. Competitive relation decisions	Anticompetitive acquisition, barrier to entry, predatory competition?
B. Product decisions	Product additions and deletion, patent protection, product quality and safety, product warranty, harmful product?
C. Packaging decisions	Fair packaging and labeling, excessive cost, scarce resources, pollution?
D. Selling decisions	Bribing, stealing trade secret, disparaging customer, misrepresenting, disclose of customer rights, unfair discrimination?
E. Price decisions	Price fixing, resale price maintenance, price discrimination, deceptive pricing?
F. Channel decisions	Exclusive dealing, exclusive territorial distributorship, tying agreement, dealer rights?
G. Advertising decisions	False advertising, deceptive advertising, bait-and-switch advertising, promotional allowance and service?