

## A CONCEPTUAL REVIEW OF MARKETING AUDIT

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### ABSTRACT

*Marketing audit is an important and comprehensive evaluation and analysis of marketing objectives, objectives and activities. Marketing audit is often used by an organization that reviews its business strategy. Marketing auditing can inform managers about the important customer and market insights that are important to help them set realistic business objectives. This paper discusses the scope, process and benefits of marketing audit. The scope of marketing audit is broad and incorporates both marketing activities and marketing strategy. The marketing audit process is complete and is the same as all other professional audits starting with a well-refined audit plan and ending with a follow-up audit report. The benefits of marketing audits include producing useful information from external and internal sources. This information can be used for planning, decision-making and management.*

**Keywords:** Marketing audit, Process, Scope, and Advantages

### Introduction

Marketing Audit is a regular evaluation of the organization's marketing strategies and strategies in a systematic way to identify problem areas and identify opportunities and promote a program to improve the company's marketing efficiency. It is important as it analyzes internal and external conditions. It analyzes past performance and current marketing activities and also identifies areas that need more attention for future activities.

Just as it is human nature if we do not learn from our past mistakes, we continue to make similar mistakes in the future. To understand such aspects of marketing auditing is done which helps organizations to identify the cause of failure or success in the market and guides organizations about the course of future actions. For a successful marketing audit it must be complete, systematic, independent and periodic. It should be comprehensive, covering all areas of marketing from customer demand identification to customer demand satisfaction including a new product development process. It should include product strategies, pricing strategies, promotion strategies, and location strategies. It should be in order. Marketing audit should be well planned and professionally done. Any ad-hoc measures will interfere with the efficiency and effectiveness of marketing auditing. Clear audit objectives, a well-documented system, information systems, sound audit evidence collection, and credible reporting make commercial research a

systematic task. At the same time marketing audit should be independent. Independence is an important factor in the success of any book audit and marketing research is also no different. It is therefore always best to hire an outside agency to conduct marketing research. On the other hand, if the marketing department is given the task of conducting marketing audit, it may undermine the very independence of the research audit. Lastly, marketing audit should be an ongoing process. It should be done periodically. A regular marketing audit provides an opportunity to identify compliance with shortcomings identified in previous reports. In fact, the first thing to do is marketing to match the shortcomings of final audit reports. Verification of this common in marketing audit is required.

### Literature Review

Marketing audit is a complete evaluation of all areas of marketing activity in a company. It means the deliberate evaluation of plans, objectives, strategies, tasks and management structure as sales staff (Loya, 2011).

The existence of marketing audits in the marketing text goes back to 1959. At that time marketing audit research was identified as customized tests, a basic test of a hypothesis that emphasizes destination and arrangements, predicted as a show, aimed at distinguishing opportunities and limitations and prevention (Alipour, Ghanbari and Moniri, 2011). In 1977, marketing audit was re-evaluated by Philip Kotler (Cheng, 2010).

Kotler and Keller (2007) described marketing audit as a comprehensive, effective, independent and periodic evaluation of the firm's marketing environment, destination, strategies and activities with a view to determining problem regions and opportunities and defining a game plan to improve corporate marketing performance. As shown by these authors, marketing audit is viewed as having four key features:

- should be far-reaching and comprehensive with a focus on the entire marketing area of the company,
- must be the purposeful and independent management of the directors who are legally responsible for resolving marketing decisions,
- should be an effective and systematic planning of analytical measures as opposed to informal and impartial auditing,
- should be done periodically, due to the fact that marketing audit should be accepted at all times and not just when serious problems arise.

The path to lead in auditing has not been established by law in this way, the role of the auditor of the market is important. Because of this fact, the auditor's wisdom can be described as the fifth element of a marketing audit and should be added to the four previously recorded aspects.

As shown by the authors Imran and Mondal (2012) the market audit provides data as well as information and understanding. It can analyze the characteristics of knowledge, their accuracy, dominance and scope; evaluate the appropriateness of the comprehension process and check the authorized response regarding speed and efficiency.

Yadin (2006) thinks that marketing audit is a strategy to gather information that is expected to determine the effectiveness of a firm's marketing activities. The same applies to common situations when purchasing commercial research: from time to time, such as a piece of marketing programs, when a strong regional expansion, or product development is needed. Myylakis (2003) argues that the need for marketing auditing stems from the desire of senior executives to practice control within firms.

Authors Taghian and Shaw (2008) see marketing audit as not the same as evaluating all marketing activities in a company but as an act of focused comprehension that is accounted for by assortment, integration, testing, comprehension and suggesting in all important marketing decisions. It is generally understood as a framework that will use all current data sources and integrate auditing marketing strategies and processes to clarify the overall picture including proposals, methodology and predictable outcomes. The marketing audit function looks for flexible, complete and comprehensive data collection.

Marketing audit, despite the addition of keys and strategic planning process, will always filter out the implementation of marketing plans, and will create significant deviations from expected outcomes.

Six key components of marketing audits can be identified to lead to comprehensive marketing audit. Proposed categories of audited marketing audits regarding company marketing conditions include:

- marketing environment audit, which includes your experiments on both the main environment and the work environment;
- audit of marketing strategy, evaluation of compliance with marketing process and environmental opportunities and threats;
- auditing of a marketing organization, which aims to assess the interaction between sales and the business firm;
- auditing marketing systems, evaluating methods used to obtain data, planning and managing marketing activities;
- auditing of production accounts, auditing information to determine appropriate profit factors, such as potential investment funds;
- marketing performance audit; evaluating key marketing activities is based on the findings of previous audits (Kotler, 1977, In Morgan and Clark and Gooner, 2002).

At a time when the company needs to direct marketing audit, it has a decision - to lead a comprehensive marketing audit that will cover all six of its components. However, the company does not need to conduct complex marketing audit, but moreover real-world audit aimed at leading only one-half of these evaluations. All of these six components of marketing audits can govern themselves if the

company does not require a comprehensive marketing review. A few firms do not fully request a range of auditing steps to obtain initial results before appointing another job. The company may request an audit environment for marketing and, whenever completed, at the same time requesting a marketing strategy audit. Or it may also call for strong marketing audit first and later request a review of marketing activities (Kotler and Gregor and Rodgers, 2005). An effective audit decision depends on understanding the management of the audited firm and the external auditing firm considering the company's operating environment.

Each company has the opportunity to choose between two types of marketing audits. Each type of audit can be led by two categories of auditors: an internal auditor who is a hard worker or a manager with varying degrees of organization and a professional external auditor, an independent expert (Chirla and Funar, 2010).

During market auditing, firms use high-quality methods and a number of measurement methods are used (Cheng, 2010). The approach to market auditing, for some, firms, is still a relatively new and obsolete process. In the past the intended objectives and participation in its implementation, the way a few firms used only part of their components - sometimes not many - in an informal manner, added to the misunderstanding that involved their widespread use (Gama, 2011).

Wu (2010) argues that marketing audit may alter managers' perceptions of the environment, the growing goal and the less flexible nature approach, as well as allowing free conclusions to be discussed and used to achieve a higher level goal. As shown by Schlidge (2006) audit enables the company to understand parts of the critical importance in deals and marketing. The result is a framework for important decisions, futures deals and marketing plans by combining deal and marketing assets to integrate deals with the products being produced.

Authors Taghian and Shaw (2008) directed experiments that suggested that the lead and application of marketing audit recommendations gave the impression that they were directly related to changes in market

share. Audit has shown that there is no evidence of benefits if marketing audit is led in a specially designated area. In this way, in order to benefit from the lead in marketing audits, it has to be done periodically. It should be noted that there are many different components that can, in theory, influence the company's transformation in its market share. It is not suggested that the act of marketing plays a major and complete role in the company's transformation in market share. In any case, marketing audit will provide comprehensive and targeted information as well as suggestions for remedial measures that can be used to achieve the company's market share objectives. Marketing audit can also be used as an important tool in supporting senior management in identifying risks associated with a company's performance (Cecco and Cetina and Radulescu and Dragici, 2010). Marketing audit looks at the marketing process and explains how these processes can work continuously. It is often seen as part of a company's development, which causes it to move forward, to add to the right place to focus on its marketing activities. It allows you to take advantage of the opportunities offered in the market and in this way add to the normal business plan.

### **Scope of marketing audit**

Marketing audits are very broad in your scope. It operates in different stages of marketing and is powerful enough to target the external and internal marketing environment. It combines both marketing strategy and performance. The scope of marketing audits is usually defined under six types of marketing audits. This is explained below:

Marketing environment audit - This type of audit controls aspects that are internal and external to their previous evolution and expected patterns that could indicate the opportunities or risks of an organization.

Marketing Strategy audit- This is an audit of how development goals and organizational strategies are adapted to suit the external environment and business assets and preferences.

Auditing of marketing organizations - This audit determines the ability of an advertising organization to develop a strategy from a

formal structure, to facilitate communication between the various departments in the organization.

**Marketing Systems audit-** Marketing Systems audit focuses on the performance component of the four major marketing systems in the organization: the marketing planning system, the marketing control system, the marketing information system, and the new product development plan. It assesses whether the organization is achieving marketing objectives, and whether these objectives are consistent with market opportunities.

**Marketing Product audit -** This type of marketing audit assesses data is profitable for each component of the marketing plan. It checks cost effectiveness.

**Marketing activity audit -** Marketing activity audit examines some of the specific features of the marketing mix.

### **Process of marketing audit**

The marketing audit process involves three steps - auditing planning, implementation of marketing audits and marketing audit reporting.

The first step is to conduct an audit by the auditor. In this audit process the need for a variety of effective audits is needed and it analyzes access to the required information resources. The Auditor-General meets with the management of the organization where they agree to have clear audit plans. They address the reason, scope, objectives, sources, type of final report and time of book creation.

The next step is to get started. Auditing allows for the development of symptoms, using logical assessment techniques. It raises the issue and conducts an assessment of the marketing and ethics of the organization. As shown by these published articles, the auditor is analyzing the issue. The auditor investigates real facts that can be deduced from previous developments. It examines the questions of representatives in a particular area of the organization and compares them with others.

The third and final stage is the preparation of the final audit report submitted to the

management of the organization. The marketing auditor expresses his opinion on regulated issues. The report proposes corrective measures.

### **Benefits**

Marketing audit provides useful information from the external and internal marketing environment to the organization. It shows how the marketing strategy has helped the organization to adapt to the opportunities offered by the environment and to address the threats posed by the environment. The audit highlights the effectiveness of the marketing organization in using the resources it has. Marketing audit shows the effectiveness and efficiency of different marketing programs. Those that do not reach the mark can be upgraded in the future. The productivity of the marketing function is appropriately highlighted by considering the efficiency of marketing costs. In addition the marketing audit evaluates different marketing activities by entering into the best features of each component of the marketing mix.

### **Conclusion**

Marketing audit is an important tool and organization to differentiate the performance of marketing work. Marketing is essential to the success of the organization in many ways. Marketing failure can mean failure for the entire organization. Simultaneous marketing consumes a large amount of resources. Thus, marketing is important from a strategic and operational point of view. A tool like marketing audit can therefore be really helpful in giving management the assurance that marketing activities are in line with management expectations. The scope of marketing audit is comprehensive and includes marketing area research, marketing strategy, production, performance, operations and marketing organization. Audit is done in three steps. Systematic marketing audit can provide useful information about the marketing environment and the overall marketing function of the organization.



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