

Three important steps to include when conducting a marketing audit

1. *Assessing the environmental & macro influences in our specific industry*

- What major demographic changes / economic trends will affect this industry / the organisation ?
- GNP growth forecast for the country & industry ?
- Population growth expected for the geographic territory is ?
- What are the emerging / new regulatory laws affecting demand ?
- Others overall attitude to this organisation ? - favourable vs?
- What cultural / business practice changes affecting industry demand ?

- What are the major industries ? the biggest % of revenue is from ?
the second is ?

- The change in total market UNIT sales forecast for the next year ?
 - What % growth is that on the previous year ?
 - maximum potential unit sales is ?
 - minimum forecast is ?

- The change in total market UNIT sales forecast for our current biggest customer the next year is... ?

- The change in total market UNIT sales forecast for our second biggest customer over the next year is ?

- Who estimated this forecast , & on what core basis / assumptions ?
 - any market research support avail ?
 - how recent is that research ?
 - quantitative / qualitative ?

2. Making a broad assessment of our general marketing situation

- Do we have a strategic **marketing plan** for the current year ?
 - Who prepared it ?
 - When is the next one - for next financial year due ?
 - Are we to withdraw from any specific markets soon / when ?
 - Which new markets are we planned to penetrate / enter ?



* eg P & A to demonstrate competitive advantages

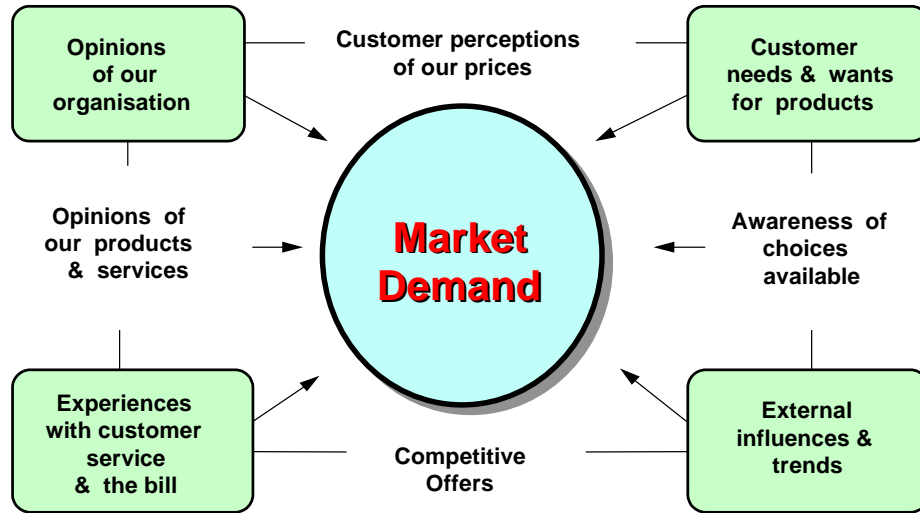
- What % of the potential market are **aware** of this product / category ?
 - What actions are likely to improve that awareness ?
 - What association / industry bodies plan to assist in this ?
- What **new applications** / uses are forecast - to expand potential ?
 - new niche market segments envisaged ?
- What % new **geographic** coverage is planned (& the potential units)
 - What added sales force capacity can be used there ?
 - What logistical problems other barriers are expected ?
 - What regulatory problems other barriers are expected ?
- To improve intensity of market penetration; are we developing new **distribution** arrangements / alliances ?
 - With whom ?
- What % change is forecast for the total market unit **prices** next year ?
 - maximum potential is ?
 - minimum forecast is ?
- What % change is forecast for the total market unit **costs** next year ?
 - maximum potential is ?
 - minimum forecast is ?

3. Assessing the buyer decision making process

How well do we know the typical **selection criteria** customers apply when deciding between alternatives
(& given their time constraints)

- eg - product availability
 - reputation / agent / retailer recommendation
 - initial costs vs annual fees
 - financial assistance / delayed payment terms
 - convenience / safety aspects
 - the product's aesthetics / looked good / emotive reasons
 - 'personal preference' / family decision
 - persuasive advertising / clear vs misleading etc
 - quality / perceived importance of brand / reputation of supplier
 - safety issues (& environmental concerns)
 - back-up service guarantees / warranties
 - retailer's depth of information available / person's manner etc
 - buyer experiences and expectations (met vs not met & why)
 - a friend's advice / peer pressure / an independent recommender's / influence
 - brand loyalty influences
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Core influences on Demand



Cliff Howard