

Blackblot PMTK

Marketing Review



<Comment: Replace the Blackblot logo with your company logo.>

Company Name: <Enter company name>

Product Name: <Enter product name>

Date: <Enter creation date>

Contact: <Enter contact name>

Department: <Enter department name>

Location: <Enter location>

Email: <Enter email address>

Telephone: <Enter telephone number>

Document Revision History:

Date	Revision	Revised By	Approved By
<Enter revision date>	<Revision #>	<Enter your name>	<Enter name>

Table of Contents

1.	INTRODUCTION	4
1.1.	DOCUMENT OBJECTIVE	4
2.	FUNDAMENTAL PHASES OF A MARKETING REVIEW	4
2.1.	SECTION OBJECTIVE	4
2.2.	PHASE 1 – SETTING THE OBJECTIVES AND SCOPE	4
2.3.	PHASE 2 – GATHERING THE DATA	4
2.4.	PHASE 3 – CONCLUSIONS AND RECOMMENDATIONS	4
3.	MARKETING REVIEW COMPONENTS	5
3.1.	SECTION OBJECTIVE	5
3.2.	COMPONENTS OF A MARKETING REVIEW	5
4.	MARKETING ENVIRONMENT REVIEW	5
4.1.	SECTION OBJECTIVE	5
	MACRO ENVIRONMENT	5
4.2.	DEMOGRAPHIC	5
4.3.	ECONOMIC	5
4.4.	ECOLOGICAL	6
4.5.	TECHNOLOGICAL	6
4.6.	POLITICAL	6
4.7.	CULTURAL	6
	TASK ENVIRONMENT	6
4.8.	MARKETS	6
4.9.	CUSTOMERS	6
4.10.	COMPETITORS	7
4.11.	DISTRIBUTION AND DEALERS	7
4.12.	SUPPLIERS	7
4.13.	FACILITATORS AND MARKETING FIRMS	7
5.	MARKET STRATEGY REVIEW	7
5.1.	SECTION OBJECTIVE	7
5.2.	BUSINESS MISSION	7
5.3.	MARKETING OBJECTIVES AND GOALS	7
5.4.	MARKET STRATEGY	7
6.	MARKETING ORGANIZATION REVIEW	8
6.1.	SECTION OBJECTIVE	8
6.2.	FORMAL STRUCTURE	8
6.3.	FUNCTIONAL EFFICIENCY	8
6.4.	INTERFACE EFFICIENCY	8
7.	MARKETING SYSTEMS REVIEW	8
7.1.	SECTION OBJECTIVE	8
7.2.	MARKETING INFORMATION SYSTEM	8
7.3.	MARKETING PLANNING SYSTEMS	9
7.4.	MARKETING CONTROL SYSTEMS	9
8.	MARKETING PRODUCTIVITY REVIEW	9
8.1.	SECTION OBJECTIVE	9
8.2.	PROFITABILITY ANALYSIS	9
8.3.	COST-EFFECTIVENESS ANALYSIS	9
9.	MARKETING FUNCTION REVIEW	9
9.1.	SECTION OBJECTIVE	9
9.2.	PRODUCTS	10
9.3.	PRICE	10

9.4.	DISTRIBUTION	10
9.5.	ADVERTISING, SALES, PROMOTION, AND PUBLICITY	10
9.6.	SALES FORCE	11
10.	CONCLUSIONS AND RECOMMENDATIONS	11
10.1.	SECTION OBJECTIVE	11
10.2.	CONCLUSIONS	11
10.3.	RECOMMENDATIONS	11
11.	SUPPORTING DATA	11
11.1.	SECTION OBJECTIVE	11
11.2.	ASSUMPTIONS	11
11.3.	RESEARCH INFORMATION	11
11.4.	PRODUCT DIAGRAM/ARCHITECTURE	11

1. Introduction

1.1. Document Objective

This document describes the process of executing a marketing review (a.k.a. marketing audit), which is a comprehensive inspection of the market and the company's preparedness for it. The marketing review helps establish foundational information for use in an entire range of strategies, tactics, and performance parameters.

<Comment: The concept of a marketing review (a.k.a. marketing audit) was first established by Philip Kotler. He stated that "A marketing audit is a comprehensive, systematic, independent, and periodic examination of a company's or business unit's marketing environment, objectives, strategies, and activities with a view of determining problem areas and opportunities and recommending a plan of action to improve the company's marketing performance".>

2. Fundamental Phases of a Marketing Review

2.1. Section Objective

This section describes the three phases of a marketing review. The marketing review is overwhelmingly based on a series of interviews with the company's relevant personnel.

<Comment: The marketing review is a systematic, broad-scope, strategic engagement. It is strongly recommended that the marketing review interviews be led and conducted by professional marketing reviewers external to the company being reviewed.>

2.2. Phase 1 – Setting the Objectives and Scope

The first phase of a marketing review involves the marketing reviewer(s) and company stakeholders defining and agreeing upon the marketing review's parameters and boundaries (objectives, coverage, participants, resources, time frame, and resources). During the late stage of this phase, the marketing review plan, a list of scheduled interviews, and topics that will be addressed are established.

<Comment: The audit review should address the company's marketing operations as a whole.>

2.3. Phase 2 – Gathering the Data

The second phase of a marketing review is when the interviews are conducted and data is collected.

<Comment: The marketing reviewer(s) should not rely on the opinions of a select few. Cross-referencing topics in interviews with different people is essential.>

2.4. Phase 3 – Conclusions and Recommendations

The third phase of a marketing review involves the marketing reviewer(s) and company stakeholders independently reviewing the raw data and forming tentative conclusions and recommendations. This phase is followed by a joint session establishing the final and mutually agreed conclusions and recommendations. During the late stage of this phase, a summary report is prepared jointly or by either the marketing reviewer(s)

or company stakeholders. The summary report has three parts: stating the objectives of the marketing review, presenting the main conclusions, and arguing the major recommendations.

<Comment: The marketing review aims to correct the company's processes and market strategies. It is recommended that the company conduct a marketing review every quarter and one extensive marketing review annually.>

3. Marketing Review Components

3.1. Section Objective

Marketing reviews follow a principle of *External to Internal*, first exploring the entire external marketplace environment (markets, customers, competitors, distributors, dealers, suppliers, and facilitators) and then moving internally into the company to thoroughly examine the company's marketing objectives and strategies, organization, and systems. A complete marketing review comprises seven major components (ordered in a logical diagnostic sequence), with each component having a semi-autonomous status.

3.2. Components of a Marketing Review

- 3.2.1. Marketing Environment Review
- 3.2.2. Marketing Strategy Review
- 3.2.3. Marketing Organization Review
- 3.2.4. Marketing Systems Review
- 3.2.5. Marketing Productivity Review
- 3.2.6. Marketing Function Review
- 3.2.7. Conclusions and Recommendations

4. Marketing Environment Review

4.1. Section Objective

This review calls for an analysis of major macro-environmental forces and trends in the key components of the company's task environment: markets, customers, competitors, distributors, dealers, suppliers, and facilitators.

Macro Environment

4.2. Demographic

- 4.2.1. What major demographic developments and trends pose opportunities or threats to the company?
- 4.2.2. What actions has the company taken in response to these developments and trends?

4.3. Economic

- 4.3.1. What major developments and trends in income, prices, savings, and credit will affect the company?
- 4.3.2. What actions has the company taken in response to these developments and trends?

4.4. Ecological

- 4.4.1. What is the outlook for the cost and availability of natural resources and energy the company needs?
- 4.4.2. What concerns have been expressed about the company's role in pollution and conservation, and what relevant steps has the company taken?

4.5. Technological

- 4.5.1. What major changes are occurring in product technology? In process technology? What is the company's position in these technologies?
- 4.5.2. What major generic substitutes might replace the company's products?

4.6. Political

- 4.6.1. What laws are being proposed that could affect the market strategy and tactics?
- 4.6.2. What federal, state, and local actions should be watched? What is happening in pollution control, equal employment opportunity, product safety, advertising, and price control, which affect the market strategy?

4.7. Cultural

- 4.7.1. What is the public's attitude toward the manner of business and products the company produces?
- 4.7.2. What changes in consumer and business lifestyles and values affect the company?

Task Environment

4.8. Markets

- 4.8.1. What is happening to the market size, growth, geographical distribution, and profits?
- 4.8.2. What are the market segments? What are their expected rates of growth? Which are high opportunity and which are low opportunity segments?

4.9. Customers

- 4.9.1. How do customers and prospects rate the company and its competitors on reputation, product quality, service, sales force, and price?
- 4.9.2. How do different customer segments make their buying decisions?
- 4.9.3. What are the evolving needs and satisfaction buyers seek in this market?

4.10. Competitors

- 4.10.1. Who are the major competitors? What are their objectives, strategies, strengths and weaknesses, sizes, and market shares?
- 4.10.2. What trends will affect future competition and substitutes for this product?

4.11. Distribution and Dealers

- 4.11.1. What are the main trade channels for bringing products to the customers?
- 4.11.2. What are the efficiency levels and growth potentials of the different trade channels?

4.12. Suppliers

- 4.12.1. What is the outlook for the availability of key resources used in production?
- 4.12.2. What trends are occurring among the suppliers in their pattern of selling?

4.13. Facilitators and Marketing Firms

- 4.13.1. What is the cost and availability outlook for transportation services?
- 4.13.2. What is the cost and availability outlook for warehousing facilities?
- 4.13.3. What is the cost and availability outlook for financial resources?
- 4.13.4. How effective are the company's current advertising and marketing programs?

5. Market Strategy Review

5.1. Section Objective

This review calls for examining the company's market strategy and marketing objectives to appraise how well they are adapted to the current and forecasted marketing environment.

5.2. Business Mission

- 5.2.1. Is the business mission clearly stated in market-oriented terms?
Is it feasible?

5.3. Marketing Objectives and Goals

- 5.3.1. Are the corporate and marketing objectives stated as clear goals to guide marketing planning and performance measurement?
- 5.3.2. Are the marketing objectives appropriate, given the company's competitive position, resources, and opportunities?

5.4. Market Strategy

- 5.4.1. Does the company demonstrate a clear market strategy for achieving its marketing objectives? Is this strategy convincing?

Is the strategy appropriate to the stage of the product life cycle, competitors' strategies, and the state of the economy?

5.4.2. Is the company using the best basis for market segmentation? Does it have robust criteria for rating the segments and choosing the best ones? Has it developed accurate profiles of each target segment?

5.4.3. Has the company developed a sound positioning and marketing mix for each target segment? Are the marketing resources allocated optimally to the major elements of the marketing mix, i.e., product quality, service, sales force, advertising, promotion, and distribution?

5.4.4. Are enough or too many resources budgeted to accomplish the marketing objectives?

6. Marketing Organization Review

6.1. Section Objective

This review calls for evaluating the marketing organization's capability to implement the necessary strategy for the current and forecasted environment.

6.2. Formal Structure

6.2.1. Does the marketing officer have adequate authority over and responsibility for company activities affecting customer satisfaction?

6.2.2. Are the marketing activities optimally structured along functional, product, end-user, and territorial lines?

6.3. Functional Efficiency

6.3.1. Are there good communications and working relations between marketing and sales?

6.3.2. Is the product management system working effectively? Are product managers able to plan profits or only sales volume?

6.3.3. Are there any groups in marketing that need more training, motivation, supervision, or evaluation?

6.4. Interface Efficiency

6.4.1. Are there any problems between marketing and manufacturing, R&D, purchasing, finance, accounting, or legal that need attention?

7. Marketing Systems Review

7.1. Section Objective

This review examines the quality of the company's systems used for marketing analysis, planning, and control.

7.2. Marketing Information System

7.2.1. Is the marketing intelligence system producing accurate, sufficient, and timely information about marketplace

developments concerning the customers, prospects, distributors and dealers, competitors, and suppliers?

7.2.2. Are the company decision-makers asking for enough marketing research, and are they using the results?

7.2.3. Is the company employing the best methods for market and sales forecasting?

7.3. Marketing Planning Systems

7.3.1. Is the marketing planning system well-conceived and effective?

7.3.2. Are the sales forecasting and market potential measurements soundly carried out?

7.3.3. Are the sales quotas set properly?

7.4. Marketing Control Systems

7.4.1. Are the control procedures adequate to ensure the annual plan objectives are achieved?

7.4.2. Does the management periodically analyze the profitability of products, markets, territories, and distribution channels?

7.4.3. Are the marketing costs periodically examined?

8. Marketing Productivity Review

8.1. Section Objective

This review calls for examining the productivity of the different marketing entities in the company and the cost-effectiveness of various marketing expenditures.

8.2. Profitability Analysis

8.2.1. What is the profitability of the company's different products, markets, territories, and distribution channels?

8.2.2. Should the company enter, expand, contract, or withdraw from business segments, and what would be the short and long-run profit consequences?

8.3. Cost-effectiveness Analysis

8.3.1. Do any marketing activities seem to have excessive costs? Can cost-reducing steps be taken?

9. Marketing Function Review

9.1. Section Objective

This review consists of in-depth evaluations of the major marketing mix components: products, price, distribution, sales force, advertising, promotion, and publicity.

9.2. Products

- 9.2.1. What are the company's product line objectives? Are these objectives sound? Is the current product line meeting the objectives?
- 9.2.2. Should the product line be stretched or contracted upward, downward, or both ways?
- 9.2.3. Which products should be phased out? Which products should be added?
- 9.2.4. What are the buyer's knowledge and attitudes toward the company's and competitors' product quality, features, styling, and brand names? What areas of product strategy need improving?

9.3. Price

- 9.3.1. What are the pricing objectives, policies, strategies, and procedures? To what extent are the prices set on cost, demand, and competitive criteria?
- 9.3.2. Do customers see the company's prices in line with the offer's value?
- 9.3.3. What does the management know about the price elasticity of demand, experience curve effects, and competitors' price and pricing policies?

9.4. Distribution

- 9.4.1. What are the distribution objectives and strategies?
- 9.4.2. Is there adequate market coverage and service?
- 9.4.3. How effective are the following channel members: distributors, dealers, manufacturers' representatives, brokers, and agents?
- 9.4.4. Should the company consider changing its distribution channels?

9.5. Advertising, Sales, Promotion, and Publicity

- 9.5.1. What are the organization's advertising objectives? Are they sound?
- 9.5.2. Is the right amount being spent on advertising? How is the budget determined?
- 9.5.3. Are the advertisement themes and copy effective? What do customers and the public think about the advertising?
- 9.5.4. Are the advertising media well-chosen?
- 9.5.5. Is the internal advertising staff adequate?
- 9.5.6. Is the sales promotion budget adequate? Is there effective and sufficient use of sales promotion tools such as samples, coupons, displays, and sales contests?
- 9.5.7. Is the publicity budget adequate? Is the public relations staff sufficient?

9.6. Sales Force

- 9.6.1. What are the organization's sales force objectives?
- 9.6.2. Is the sales force large enough to accomplish the company's objectives?
- 9.6.3. Is the sales force organized along with the proper principles of specialization (territory, market product)? Are there enough (or too many) sales managers to guide the field sales representatives?
- 9.6.4. Do the sales compensation level and structure provide adequate incentives and rewards?
- 9.6.5. Does the sales force show high morale, ability, and effort?
- 9.6.6. Are the procedures adequate for setting quotas and evaluating performances?
- 9.6.7. How does the company's sales force compare to competitors' sales forces?

10. Conclusions and Recommendations

10.1. Section Objective

This section provides conclusions and recommendations reached while conducting this marketing review.

10.2. Conclusions

<Identify and describe any conclusions reached during the preparation of the marketing review.>

10.3. Recommendations

<Make specific recommendations on the company's choice and use of marketing strategies, tactics, and performance parameters.>

11. Supporting Data

11.1. Section Objective

This section provides data supporting claims, assertions, assumptions, and statements made throughout this document.

11.2. Assumptions

<Describe any assumptions made while preparing this document.>

11.3. Research Information

<If relevant, describe and list the type and scope of research conducted while preparing this document.>

11.4. Product Diagram/Architecture

<If relevant, describe the product's architecture and modules accompanied by a schematic diagram.>

<Comment: References and Acknowledgments

- Philip Kotler, William T. Gregor and William H. Rodgers III, *The Marketing Audit Comes Of Age*, 1989
- Portions Copyright © TP Marketing Group. Used by permission. All rights reserved.

>

Evaluation Copy