

Warne's Marketing

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The Marketing Audit

With most companies trying to achieve more with less, it's critical to identify which marketing initiatives are working well and which are not.

DOWNSIZING IS THE ORDER OF the day. For marketing departments this means fewer people and less time to plan, measure results or fine tune marketing initiatives.

Plus, new technologies are impacting how we do business. The internet has transcended geography. Deregulation, economic volatility, convergence, trade restrictions and market fragmentation are increasing challenges.

If ever you needed a thorough examination and evaluation of your marketing strategies, activities and results, that time is now.

Do More With Less

With a marketing audit, you'll gain a baseline for performance measurement and a framework for business planning. It will show you how to most effectively increase corporate awareness and acceptance, plus increase the demand for your company's products and services at favourable prices. In short, it will show you how to do more with less in the way of marketing expenditures.

While an accounting audit reviews and verifies a cross section of revenues and expenditures, a marketing audit measures the return on investment from marketing expenditures... in essence the value of those expenditures in reaching corporate goals.

A marketing audit will identify factors of strategic importance in marketing, communications and sales. The results or findings can become the blueprint for strategic decisions, and for marketing and

sales planning. By relating expenditures for marketing to direct sales, increased market preference or the potential value of leads generated, you'll be able to clearly identify the ROI of your marketing programs and more effectively prioritize them.

Even when sales cycles are six months or more, the ROI from your marketing programs can be measured through the audit.

First Budget Cut

"When a company cuts marketing spending, it cuts the one function whose sole purpose is to increase sales."⁽¹⁾ It's vital, therefore, to distinguish between those activities that have produced a good return on investment from those that have underperformed, and to make adjustments accordingly.

As no company operates in a vacuum, it's also important to review comparative competitive activity and marketplace positioning.

An audit is most critical for companies where the impact of marketing programs has been poorly evaluated. Without clear results measurements it is virtually impossible to distinguish between the effective and not so effective marketing activities. In such cases marketing expenditures will always be viewed as an expense and not as an investment.

When business is in one of its reoccurring negative cycles, marketing expenditures will be among the first to get cut. And rarely will there be

an evaluation of how much has been lost or for how long. Nor the cost of recapturing share and volume.

A Proactive Process

A marketing audit is a comprehensive process that can be adapted to the specific needs of your company. When conducted by marketing people from outside your organization it provides an unbiased viewpoint, while involving your own people in the process and future planning.

Many organizations require a market audit on a reactive basis to address a specific issue or problem. However, when conducted on a routine basis, like an accounting audit, the market audit becomes proactive.

A comprehensive marketing audit will provide:

- Identification of key initiatives to improve marketing and sales performance, increase customer retention and maximize revenues
- Identification of short and long term sales opportunities based upon a review of available prospect and customer information
- An assessment of the competitive marketing environment
- A clear understanding of how you're perceived in the marketplace
- An assessment of current marketing, communications and sales activities for customer development and relationship marketing

- A review of your marketing organization, systems, functions, productivity and strategies

The end result is that the audit will highlight where you are doing well, where changes are needed, and how to improve your marketing ROI.

Cost Efficiencies

The marketing audit process can provide your organization with significant advantages over competitive firms that don't conduct an audit. You can achieve cost efficiencies by identifying what works and what doesn't. The audit process will uncover new ideas and approaches to maximize the effective use of your finite resources. Plus, marketing activities will become more aligned with corporate goals.

Competitive Advantage

The marketing audit can provide your firm with a number of other tangible benefits. Through the process of eliminating unproductive activities you will be able to lower your base marketing costs. By directing your marketing efforts at those activities that generate the greatest ROI you will increase your revenues. And by clearly identifying your position in the market and undertaking programs to enhance your unique characteristics

you will create a more viable and sustainable competitive advantage for the long run.

Activity by Activity

The Warne Marketing Audit is a priority-based, phase by phase program. Our audits can cover your total marketing activities or any specific activity from advertising to direct mail, trade shows, inquiry management and sales channel management.

At each stage we find that reviews with company managers generate new concepts and new enthusiasm for marketing activities.

Getting Started

It is a lot simpler than you think. The first step is a meeting to secure agreement on budget, objectives, data sources, scope, report format, time periods and who is to be interviewed inside and outside the company.

If you are interested in how a marketing audit could benefit your firm please call Scott Warne. We know how to keep the process simple, productive and generate a real ROI.

Sources:

⁽¹⁾ BLITZMAG article by George Schlidge, President, Matrix Marketing Group, Colorado



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Audit Checklist Questions:

The marketing audit will answer the following questions about your firm.

- Are proposals, or client inquiries handled expeditiously?
- Does your marketing department seek feedback from clients after project completion?
- Is your marketing department equipped to develop or act on new service initiatives or ideas?
- Does your marketing department routinely gather information on competitive activities?
- Does your firm have a Strategic Marketing Plan? Is it evaluated on an on-going basis?
- Does your company have centralized marketing resources under one authority?
- Does your marketing manager have authority to implement changes in delivery procedures?
- Is your marketing department structured in an effective manner relative to the company?
- Is your marketing function of sufficient size and experience in relation to the company?
- Is there adequate interaction between H.O. marketing, divisions and branch offices?
- Is there an appropriate "mix" of marketing vehicles, i.e. advertising, networking, trade shows?

