Uses and benefits of the marketing audit: A point of view of managers in marketing departments

Usos y beneficios de las auditorías de mercado. Desde la perspectiva de los gerentes de departamento de mercadeo

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ABSTRACT:
The marketing audit is attributed to a series of utilities for both evaluation and marketing planning. These benefits have not been corroborated by empirical research, thus the current qualitative research determines the expectations of managers on the results, purposes and uses about it, evaluates the performance of the area, comparing the current findings with the previous theory, and find new uses.

Keywords: Marketing audit, performance, control and evaluation of marketing

RESUMEN:
La auditoría de mercado se atribuye a una serie de utilidades tanto para la evaluación como para la planificación del marketing. Estos beneficios no han sido corroborados por la investigación empírica, por lo tanto, la presente investigación cualitativa determina las expectativas de los gerentes sobre los resultados, propósitos y usos al respecto, evalúa el desempeño del área, comparando los hallazgos actuales con la teoría anterior y encuentra nuevos usos.

Palabras clave: Auditoría de mercadeo, desempeño, control y evaluación del marketing

1. Introduction
The marketing audit (MA) is a process aimed at evaluating the performance of marketing functions by establishing the efficiency and effectiveness of the so-called process and all those activities deployed in the fulfillment of executing a marketing plan. This diagnosis allows to provide information to management board in order to improve the performance of the area Morgan, Clark and Gooner, 2002. The current theory has not reported empirical researches regarding the contributions that a MA process could generate to improve the performance and fulfillment of the purposes of the marketing area. In many researches these benefits are covered from the reason of each researcher that has addressed the issue, then it is intended to establish the opinion on the contributions that can be offered by an MA process in an organization.

1.1. Nature of the Marketing Audit
It is important to understand that the audit is born from the needs of control of resources face the growth of organizations, subsequently as a result of business failures which prompted the emergence of a whole legal scaffolding to prevent fraud. Thus, the audit has traditionally played the role of guarantor of the reliability of financial information between the company, the state, investment employees and the community in general, extending to the comprehensive audit exposed (Santillana, 2002). The analysis of the administrative process allows to evaluate and understand the relative fulfillment of the goals in the organizations, whose context must understand the functions of marketing as a part of the administrative process of generating value to the company in the diverse clients (Vega and Nieves, 2016).

Market relations are present in the economy, where marketing plays a key role in supporting and increasing the competitiveness of a company (Gornostaeva et al., 2018); then, it is pertinent to develop or apply mechanisms of control and evaluation of the marketing’s performance as the MA. Also, it is a tool of decision making (Naylor & Wood, 1978), understanding the MA as a revision of objectives, basic policies of the operation, as well as methods,
main criterion. This is because it establishes a selection, based on a sampling frame and the size of the unknown
dependencies. However, the potential value for the organization of
marketing activities.

The MA is a management tool (Loya, 2011) to warn, identify and correct possible deviations
from the objectives established in the plan. It is also a tool whose results can project actions that integrate
the marketing plan as a whole (Berry et al., 1991), and is also seen important in monitoring of the
efforts (Clark et al., 2006), generating an overview of the situation for the redesign of processes in order to offer
greater value to both customers and to the company (Pimenta da Gama, 2012), using it to determine the strategic
planning of marketing (Lambin, 1991). At the same time, it is an important strategic control tool (Kotler &
Armstrong, 2008) which gives a vision of the deficiencies in both cases, operational and strategic (Muñiz, 2017).
This helps to understand aspects of strategic importance in sales and marketing (Schilde, 2006); consequently,
MA has a diagnostic function in the field of marketing control and a strategic prospective function in the planning
area (Schuchman, 1959).

Taghian & Shaw (1998) indicate that MA is currently used to evaluate marketing objectives, strategies, action
programs, the external environment, new product development, the marketing planning process and the
identification of marketing problems.

The needs of the direction addressed to an audit can be huge, however, these situations show internal and external
changes that affect the performance of marketing or they are the result of poor execution in planning or
commercial actions.

The MA is faced with the complexity of the process of marketing planning and execution. In this aspect it coexists:
systems, processes, controllable and uncontrollable variables, hierarchizing of decisions, contraception between
marketing, sales, advertising, business management units, investments, financial results provisions, goals,
projective, corrective actions, a sort degree of uncertainty in the face of changing forces in such a way that when
examining past performance, the MA can recommend improvement actions for future performance (Brownlie,
1996).

The MA is concerned with establishing how effective marketing performance. It guides decisions on positioning in
the market given a declared corporate strategy (Brownlie, 1996), in order to improve general marketing efficiency
by presenting a corrective action plan (Rothe et al., 1997).

1.2. Benefits attributed to the MA

Mokwa (1986) proposed that the MA can assume multiple roles such as involving strategists, policy developers and
stimulating decision-making. It is also a tool whose results can project actions that integrate the marketing plan as a
tool for sustainable management. It also exposes the performance by providing output information on the results
of the carried out marketing activities (Milichovsky, 2015). However, the potential value for the organization of
performing a MA remains without challenge (Berry et al., 1991). Despite the time that has happened since its
introduction in the 1960s, it allows to establish the types of services to be offered and resources that should be
developed, including recommendations on the strategy towards the promotion of efficiency, current and future
effectiveness of services (Phillips, 2014).

This tool is seen as both preventive and curative medicine (Berry et al., 1991), and is it considerate a tool to
predict and at the same time to diagnose (Rothe et al., 1997), which is also seen important in monitoring of the
marketing skills of companies to maintain a leadership position despite the change in the environment
(Schuchman, 1959).

From another perspective, it is also made to generate value recommendations for strategic changes to improve the
performance and it compromises the strategic decisions when the company faces specific business challenges (Roy,
2016), proposing an orientation reflected in the identification of the high risk areas and how to manage them (Dryl
& Dryl, 2013).

Cano (2014) indicates that an orderly and periodic MA detects deficiencies, weaknesses in the marketing
processes, which can show the low results in the sources of it. The importance of this tool for the identification of
risks focuses on the future through the control of the past events and processes to verify the scope of the
objectives (Dryl & Dryl, 2013); the MA can evaluate the suitability of the marketing practices, ensuring that they
comply with the established marketing plans and strategies and that they are effective (Wu, Chen & Huang, 2015).

2. Methodology

To represent the opinions of those who plan and execute the marketing activities, the development of a qualitative
and descriptive exploratory research project was projected, because this type of research contributes to the
establishment of categories and variables (Yuni & Urbano, 2006) or to provide ideas (García, 2012) for the
formulation of a relevant model to business needs.

2.1. Population, sample and sampling procedure

Because of the scope of this project, the integration of the population with experience in managerial or executive
positions in the development of activities or the fulfillment of the goals of the marketing area was defined as the
main criterion. This is because it establishes a selection, based on a sampling frame and the size of the unknown
population, a non-probabilistic sampling is chosen for non-representative convenience corresponding to the type of research.

The final sample had thirty (30) elements whose selection criteria refer to the level of training related to economic sciences and management experience in marketing areas. These elements are shown in detail in the Index posted at the end of this paper.

2.1.1 Sample characterization
The sample is taken from professionals of various specialties who have worked in areas related to Marketing, then they have participated as interviewees in this research as follows: professionals in Marketing (16%), Publicists (22%), Marketing Managers, Advertising and Sales (10%), adding the 48% of total of professionals from the area; the rest corresponds to Business Administrators (29%) and others (23%) who work in Psychology, industrial design, social communication, degree in pedagogy, and accountant. Those samples did not have a representative influence in the study.

The interviewees belong to the economic sectors of marketing and advertising (13%), education in marketing or advertising (36%), telecommunications (7%), market research (6%), consulting (6%), technology (6%), among others (26%). Those ones work as teachers or teaching coordinators, inclusion coordinator, outlet coordinator, segmentation director, audit manager and innovating executive.

They hold positions as managers (29%), coordinators (16%), university professors (29%), directors (6%), consultants (7%) among others (13%).

The hierarchical level of the interviewees corresponds to personnel of management level (42%), executive (19%), operative (7%), teaching (19%), among others (7%).

3. Results
As a consequence of the qualitative nature of the collected information, the answers given by the interviewees are categorized in order to rationally express the interpretation of the provided information, as follows.

3.1. The aim of the marketing audit
For the interviewees, the MA is carried out with the purpose of assessing the effectiveness and results achieved (10.9%) (see table 1), developing an improvement plan (9.4%), knowing the management of the area (7.38%), assessing the planned (6.3%) and reaching the goals (6.3%).

Other reasons are made to verify fulfillment of the budget (4.7%), to support decision-making (4.7%), control processes (4.7%), to establish the profitability of the marketing investment (4.7%), establish trends and forecasts (4.7%) and the reasons for purchase (4.7%). In addition, other responses that were less representative, such as establishing reliability in the data (3.1%), the state of the company (3.1%), determining the shortcomings of the area (3.1%) and other arguments (18.8%) where answers are found with a single participation were also added.

<table>
<thead>
<tr>
<th>Item</th>
<th>% Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate what was planned</td>
<td>6,3</td>
</tr>
<tr>
<td>Reach the goals</td>
<td>6,3</td>
</tr>
<tr>
<td>Know the management of the area</td>
<td>7,8</td>
</tr>
<tr>
<td>Trends and forecasts</td>
<td>4,7</td>
</tr>
<tr>
<td>Budget compliance</td>
<td>4,7</td>
</tr>
<tr>
<td>Improvement plan</td>
<td>9,4</td>
</tr>
<tr>
<td>Return on investment</td>
<td>4,7</td>
</tr>
<tr>
<td>Data reliability</td>
<td>3,1</td>
</tr>
<tr>
<td>Decision making</td>
<td>4,7</td>
</tr>
<tr>
<td>State of the company</td>
<td>3,1</td>
</tr>
<tr>
<td>Strategic orientation to the market</td>
<td>3,1</td>
</tr>
<tr>
<td>Effectiveness and results</td>
<td>10,9</td>
</tr>
</tbody>
</table>
3.2. The findings that a MA should generate

It is expected that the MA reflects (see table 2) a comparison between the achieved results and the set objectives (8.8%), compliance with the processes (8.8%), compliance with budgets (8.8%), it helps to establish the progress of the execution of activities (7.5%), it detects weaknesses, problems and risks (7.5%), trends and changes (7.5%), it establishes coherence between the market and the company (5.0%), participation and positioning achieved (3.8%), customer satisfaction and growth (3.8%) and compliance with results (6.3%). Those were the most representative aspects that can be evidenced by a MA in general. In addition, it is expected to both reflect the quality of market research and the generated information (2.5%), a total valuation (2.5%), errors in pricing (2.5%), errors in promotional activities (2.5%), errors concerning the products (2.5%), statistical information (2.5%), investment’s degree of effectiveness (2.5%), as well as contracting with third parties (2.5%). Within the 12.5% of the responses, it is listed that the MA should also reflect the competence of the human resource, to develop management indicators, to analyze the volume of sales, the ability to communicate value, to help create the strategic map, detect errors in the distribution, establishment corrections, to perform process traceability, adjust the marketing strategy and analyze market segmentation.

<table>
<thead>
<tr>
<th>Item</th>
<th>% Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>Execution progress</td>
<td>7,5</td>
</tr>
<tr>
<td>Weaknesses, problems and risks</td>
<td>7,5</td>
</tr>
<tr>
<td>Compare results and objectives</td>
<td>8,8</td>
</tr>
<tr>
<td>Compliance results</td>
<td>6,3</td>
</tr>
<tr>
<td>Process compliance</td>
<td>8,8</td>
</tr>
<tr>
<td>Budget compliance</td>
<td>8,8</td>
</tr>
<tr>
<td>Quality of research - information</td>
<td>2,5</td>
</tr>
<tr>
<td>Marketing and business coherence</td>
<td>5,0</td>
</tr>
<tr>
<td>Total valuation</td>
<td>2,5</td>
</tr>
<tr>
<td>Trends and changes</td>
<td>7,5</td>
</tr>
<tr>
<td>Errors in the promotion</td>
<td>2,5</td>
</tr>
<tr>
<td>Errors in the price</td>
<td>2,5</td>
</tr>
<tr>
<td>Errors in the product</td>
<td>2,5</td>
</tr>
<tr>
<td>Numerical and statistical information</td>
<td>2,5</td>
</tr>
<tr>
<td>Participation / market positioning</td>
<td>3,8</td>
</tr>
<tr>
<td>Investment effectiveness</td>
<td>2,5</td>
</tr>
</tbody>
</table>
3.3. The contribution of the results of a MA

As an effect of a MA, the results are used to (see table 3) adjust or create new plans (23.5%), to support decision making (8.8%), establish trends and future planning (7.4%), derive actions to improve processes (7.4%), and to measure compliance with management (5.9%); with a 4.4% the following uses of the results of a MA are placed: to measure and adjust the budget, improve the processes of market segmentation, to establish the positioning, look for the reduction of costs, carry out re-engineering actions, and to improve sales and participation. With less representation (2.9%) are uses in the attention of difficulties, to innovate and aspects of competitiveness. Other uses than those previously named reached with an 11.8%.

<table>
<thead>
<tr>
<th>Item</th>
<th>% Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjust or create new plans</td>
<td>23,5</td>
</tr>
<tr>
<td>Measure management compliance</td>
<td>5,9</td>
</tr>
<tr>
<td>Measure and adjust budget</td>
<td>4,4</td>
</tr>
<tr>
<td>Trends and planning of the future</td>
<td>7,4</td>
</tr>
<tr>
<td>Improve segmentation</td>
<td>4,4</td>
</tr>
<tr>
<td>Positioning</td>
<td>4,4</td>
</tr>
<tr>
<td>Costs reduction</td>
<td>4,4</td>
</tr>
<tr>
<td>Decision making</td>
<td>8,8</td>
</tr>
<tr>
<td>Re-engineering</td>
<td>4,4</td>
</tr>
<tr>
<td>Attention to difficulties</td>
<td>2,9</td>
</tr>
<tr>
<td>Improve processes</td>
<td>7,4</td>
</tr>
<tr>
<td>Innovate</td>
<td>2,9</td>
</tr>
<tr>
<td>Competitiveness</td>
<td>2,9</td>
</tr>
<tr>
<td>Improve sales / participation</td>
<td>4,4</td>
</tr>
<tr>
<td>Others. Includes: To Improve production, Improve distribution, Improve information management, Follow up competition, Formalize processes, Improve customer service, Create products, Establish control mechanisms.</td>
<td>11,8</td>
</tr>
</tbody>
</table>

Source: Prepared by the authors

3.4. General aspects that should be covered by a MA

The interviewees add that in a MA it must be addressed (see table 4) the business information (15.2%), to analyze the correlation between marketing and other areas of the company (13.0%), to analyze the behavior, national and international market trends (10.9%), evaluate and collect information on human resources (10.9%), organizational and commercial development and change of goals (6.5%), product quality and customer service (4.3%), to create
statistical and management models to measure the area (4.3%), financial information that is reliable, as well as the management of assigned monies (4.3%), responses with low index and grouped into "others" add up to (10.9%), and those who say no add something else correspond to the 15.2%.

Table 4
Aspects that an AM should cover.

<table>
<thead>
<tr>
<th>Item</th>
<th>% Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>Behavior and trends of the local and international market</td>
<td>10.9</td>
</tr>
<tr>
<td>The strategic planning and structure of the company</td>
<td>4.3</td>
</tr>
<tr>
<td>Information, profile and evaluation of the HR</td>
<td>10.9</td>
</tr>
<tr>
<td>Correlation with other departmental areas or people</td>
<td>13.0</td>
</tr>
<tr>
<td>No more</td>
<td>15.2</td>
</tr>
<tr>
<td>Reliable financial information and money management</td>
<td>4.3</td>
</tr>
<tr>
<td>Organizational, commercial development and goal change study</td>
<td>6.5</td>
</tr>
<tr>
<td>Business information includes: sales statistics, processes, organizational culture, competition information, legislation and technology</td>
<td>15.2</td>
</tr>
<tr>
<td>Product quality and customer service</td>
<td>4.3</td>
</tr>
<tr>
<td>Create statistical and management models for measurement</td>
<td>4.3</td>
</tr>
<tr>
<td>Others. It includes: Ethical aspects, Measurements and evaluations, Primary and secondary sources, Evaluation of new products, Marketing mix trends</td>
<td>10.9</td>
</tr>
</tbody>
</table>

Source: Prepared by the authors

4. Conclusions
This research does not intend to validate or corroborate the results, affirmations or conclusions before academic works, however, the findings highlights are the ones that have coincided in similar aspects to the answers given by the interviewees.

As to the information required to evaluate the activities of the Marketing area, the MA is used to measure the results of the actions, establish the degree of compliance with the objectives (López-Pinto et al., 2008; Muñiz, 2017), and to take corrective measures (Lopez-Pinto et al., 2008), which requires assessing the environment (Kotler, Gregor & Rodgers, 1989; Lambin, 1991; Wilson, 2002; McDonald & Leppard, 1994; Taghian & Shaw, 1998; Munuera & Rodríguez , 2007), marketing systems (Kotler, Gregor & Rodgers, 1989), strategy (Kotler et al., 1989; Lambin, 1991; Wilson, 2002; McDonald & Leppard, 1994; Morgan, Clark & Gooner, 2002), the organization (Schuchmman, 1959; Stanton et al., 1994; Kotler et al., 1977; Berry, Conant & Parasuraman, 1991; McDonald & Leppard, 1994; Morgan et al., 2002), the marketing mix (Kotler, 1977; Wilson, 2002; McDonald & Leppard, 1994; Morgan, 2002; Munuera & Rodríguez, 2007), productivity and profitability (Dryl & Dryl, 2013), to determine operational and strategic deficiencies (Muñiz, 2017), customer satisfaction (Muñiz, 2017; Kotler, 1977; Berry et al., 1991), integration of marketing organization (Kotler, 1977), optimization of marketing expenses (Ferriol, 2009), to determine marketing planning (Lambin, 1991), aspects that are consistent with the results of this research, which indicates that the MA is necessary to establish the effectiveness and results, to establish an improvement plan, to know the management of the area, to assess what is planned, compliance with the forecast, return on investment, to give support to decision making, strategic orientation to the market, to determine the shortcomings in the process, behavior and trends of the local and international market, information and evaluation of human resources, interaction with other departmental areas, and business information. As a consequence, the MA should reflect the fulfillment of results, processes and budgets, comparative analysis between results and objectives, weaknesses, problems and risks, progress in execution, trends and changes. Information could be used to adjust or create new plans, make decisions, to establish trends and plan the future, improve processes, measure and adjust the budget, improve sales or participation in the market. To achieve this, the MA should mainly cover the evaluation of marketing processes, the aspects of planning and execution, the level of compliance, the marketing mix, budget and Return of Investment, service process and marketing plan.

Ferriol (2009), and López-Pinto et al., (2008) have listed the causes why MA is required. However, in the interviewees of the present research they did not mention these causes, consequently, it is necessary to deepen into those causes that motivate an MA. Furthermore, these causes can be oriented from 1) a reactive approach to changes in the competitive environment and the results obtained, according to Ferriol (2009), or to unsatisfactory results and challenges, according to López-Pinto et al., (2008), or these needs can be establish from a 2)
Bibilographic references


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