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## Analysing the usage of marketing audit and practical problems of its usage in marketing function

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### ABSTRACT

*The marketing function within a business is crucial for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. It involves a range of activities including market research, product development, pricing, promotion, distribution, and customer relationship management. However, like any other business function, the marketing function can encounter practical problems, which necessitate auditing to ensure its effectiveness and efficiency. Considering these practical problems, conducting a marketing audit becomes essential to evaluate the effectiveness and efficiency of marketing activities and identify areas for improvement. A marketing audit typically involves assessing various aspects of the marketing function. The following research addresses that marketing audit like lack of realizing the value of the concept, perception that audit is a fault-finding activity, lack of awareness, perceived as a complex activity.*

**KEYWORDS:** Food Delivery Platforms, User Experience, Age Groups, Demographics, Socioeconomic Factors.

### 1. INTRODUCTION

An audit is usually performed to ensure that processes or systems are working properly. Audits can be carried out in various industries to ensure that the business is functioning properly and operating efficiently. Audits are usually performed to ensure that financial records are accurate. In marketing, audits are also important for tracking the progress of marketing initiatives. A marketing audit is a review that is comprehensive and includes marketing efforts, activities, and goals. A marketing audit is an analysis that determines the progress and effectiveness of these efforts. An audit can help measure progress against business goals, solve problems, and identify new opportunities. A good marketing audit is systematic, comprehensive, independent, and regularly performed.

However, its application in practice is not up to the mark. This article presents results of a survey of 120 marketing executives from Pune to understand the practical problems in using marketing audit. A marketing audit can be done in several ways depending on the company's goals. While some companies may include additional steps for more specific audits, an internal marketing audit analysis typically includes the following steps:

- Collect all data necessary for marketing purposes. This may include data from social media statistics, customer sales or competitors.
- Determine the objectives of the marketing effort or campaign. Whether the goal is to gain more social media followers or gain a stronger market share, these goals will need to be outlined with achievable goals.
- Choose how this audit will measure its results. If the audit focuses on SEO (search engine optimization), it will need data relevant to its website statistics, and if it focuses on competition, it will need data from market trends.
- Interpret the data and evaluate what it means. Based on the results of the audit, determine whether marketing efforts are effective and what can be done to improve.
- Use audit findings to make improvements or updates. It is important to make changes to these marketing efforts based on the data found to achieve the intended goals.

To be effective, a marketing audit should consist of several components. These components include:

- **Systematic:** A marketing audit is systematic if it consists of all components within an organization involved in marketing efforts, such as all strategies and operations, in an orderly manner.
- **Comprehensive:** A marketing audit is comprehensive if it covers all relevant areas within an organization's marketing department, including areas that are assumed to be running smoothly.
- **Independent:** A marketing audit is considered independent if it is performed by a third party and not by the company itself.
- **Periodic:** Marketing audit should be regular or should be done periodically to ensure that any problems can be prevented.

Marketing audits can take different forms to meet different business needs. Depending on the goals of the business, different types of marketing audits can be used. These include marketing environment audit, marketing strategy audit, marketing organization audit, marketing systems audit, marketing productivity audit and marketing functionality audit.

## 2. REVIEW OF LITERATURE

Marketing audit was perceived by Kotler (1967). In his book, Kotler devoted a section on marketing audit. A decade later (Kotler et al., 1977) became the defining moment of the production entitled "Marketing Audit Comes of Age". Certainly, this examination gave the definition, procedure and potential problems of marketing audit became a reference cellar for various scholars who contributed to the beneficial expansion of marketing audit (Brownlie, 1996). According to Taghian and Shaw (1998), marketing audit is generally viewed as a system of estimating and managing marketing performance. Additionally, their research suggested a model for the all-encompassing work of a marketing audit.

As their research showed, a marketing audit can be conducted in a variety of ways, such as top-down audit, top-down audit, self-audit, corporate team audit, corporate audit firm, and external audit. As an estimation measure, marketing audit estimates the risk, value, and viability of a firm's marketing efforts (Radulescu and Cetina, 2012). As the survey showed, the initial stage of the marketing audit is the market. The importance of building vital links between the company and the client for viable marketing is the market audit. This audit should be possible internally as well as externally (Achua and Alabar, 2014). Broberg et al., (2013) investigated the mentality of auditors towards marketing. Bonoma et al., (1988), Clark et al.,

(2006) focused on evaluating marketing performance. In fact, Wilson (1982, 1993) worked to create a marketing audit agenda. Capella and Sekely (1978) attempted to develop marketing audit strategies, issues, and perspectives. McDonald et al., (1991) and Wu et al., (2015) deconstructed the training and use of marketing audit in business. Research by Wu et al., (2015) shows that marketing audit can fundamentally contribute to marketing performance, and marketing audit represents the relationship between environmental factors and marketing performance. Akroush and Al-Mohammad (2010); Chin et al., (2013) showed a relationship between advertising practice, market orientation and authoritative performance. Alipour et al., (2011) conducted an experiment on the effect of marketing mix on performance and marketing audit. There is no research looking at practical problems in application of marketing audit. This research endeavors to fill this research gap.

### 3. METHODOLOGY

To draw meaningful inferences and conclusions, a minimum sample size of 100 is recommended (Alreck and Settle, 2003). In line with this guidance a sample size of 120 was chosen. Convenience sampling method was followed. Around 200 questionnaires were sent to marketing executives from Pune. 120 responses were received over a month, indicating a response rate of around 60%. Neither the name of the respondent nor that of the company was recorded for ensuring confidentiality. In fact, it was only when the respondents were assured of their confidentiality, they agreed to cooperate. A questionnaire was designed in Google Forms. It was divided into following parts:

#### Demographic Profile

The questionnaire had following features: Responses were sought by way of a selection from a range of options. In seeking agreement or disagreement on a particular issue, the sequence of responses was designed as under –

- 0 – No option
- 1 – Somewhat agree
- 2 – Completely agree
- 3 – Somewhat disagree
- 4 – Completely disagree

“No option” choice was deliberately kept as the 1st response in order to provide an early exit option to those who either didn't know the answer or didn't want to answer. The questionnaire was tested for reliability, and it returned a Cronbach Alpha score of 0.798 and hence was considered reliable. The questionnaire is given at the end of the article.

#### The hypothesis set was:

- Ho: There are no major problems hindering the application of marketing audit in practice
- Ha: There are major problems hindering the application of marketing audit in practice

The hypothesis was tested based on the average agreement/disagreement responses to the ten problem statements in the questionnaire. The average agreement/disagreement response of the 120 respondents for all the related statements was taken as the sample mean and it was compared with a hypothesized population mean of 50% agreement/disagreement connoting an event by chance and not due to any statistical significance. A t-test was applied at 95% confidence level and based on the p-value the null hypothesis was tested for rejection or non-rejection.

### 4. DATA ANALYSIS & FINDINGS

101 respondents were male whereas 19 were female. 33 were from the Northern region of Pune, 28 were from the Eastern region, 26 were from the Western region, and 33 were from

the Southern region. 28 respondents were from the age-group of <30 years, 54 were from the age-group 30-40 years, and 38 were from the age-group of >40 years.

The average agreement responses to the questionnaire were as under:

**Table 1: Summary of responses to the questionnaire**

Statement	1	2	3	4	5	6	7	8	9	10	Average
Agreement %	90%	82%	85%	73%	73%	77%	90%	71%	72%	85%	80%

Based on the above summary average sample mean the hypothesis was tested as under:

**Table 2: Testing of Hypothesis**

Parameter	Value
Sample Mean ( $\bar{x}$ )	80%
Hypothesized population mean ( $\mu$ )	50%
SD of sample	0.95586
n (sample size)	120
t-value=abs ( $(\bar{x} - \mu) / (s/\sqrt{n})$ )	3.43473
p-value =tdist (t, (n-1),1)	0.00041
Decision	Reject Null

Thus, the null hypothesis, there are no major problems hindering the application of marketing audit in practice, was rejected in favor of its alternate, there are major problems hindering the application of marketing audit in practice.

## 5. CONCLUSION

A significantly high percentage of respondents categorized marketing audit problems as high intensity issues. Problems in marketing audit like lack of realizing the value of the concept, perception that audit is a fault finding activity, lack of awareness, perceived as a complex activity, considered more of a western concept not really applicable in India, lack of expertise required to conduct an audit, marketers believe that the auditors are highly theoretical, the marketing team unable to give the required time to the audit, the cost factor, and the audit result not having much practical use, were rated with relatively high levels of agreement. There is no doubt that marketing audit is a very useful tool for evaluation of the marketing function. However, the top management needs to address the problems in order to effectively implement the audit.

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<b>QUESTIONNAIRE</b>		
<b>A study of practical problems in application of Marketing Audit</b>		
<b>PROFILE INFORMATION</b>		
1	Name of the Respondent (optional)	
2	Gender (Male, Female)	
3	Zone (North, East, West, South)	
4	Age (<30 years, 30-40 years, >40 years)	
<b>I. Practical problems in Marketing Audit</b>		
<b>Rate the following statements on a scale of Cannot Say, Somewhat Agree, Strongly Agree, Somewhat Disagree, Strongly Disagree</b>		
<b>No.</b>	<b>Statement</b>	<b>Response</b>
1	There is a general negative attitude towards value of the concept	
2	There is lack of awareness of the concept	
3	A Negative perception that audit is generally a fault-finding exercise	
4	It is considered as a complex activity	
5	The experts required to conduct the audit are not easily available	
6	It is regarded as more of a western concept not really applicable in India	
7	Marketers think that the marketing auditors are quite theoretical	
8	It involves high cost	
9	The marketing team is unable to give time for the audit	
10	Belief that the audit outcome doesn't have much practical utility	