

# Internal marketing audit

[Business](#), [Marketing](#)



The economic recession has not only made the clothing market more competitive but has also exerted pressure through various other factors to change the market trends and the social factors affecting the economy. Because of recession, the government policies are resulting into more job losses. There's a sharp increase in unemployment and the inflation is steadily moving up. All these factors have resulted in cut down of expenses by the consumers and clothing is hit maximum. As discussed under the PEST analysis, the Political, Social and Economical factors have made the clothing business very challenging. While the Porter's five forces further strengthened this notion by assessing the competition . As shown in figure 3, companies like Primark has been able to increase their momentum of sales because of their pricing, which in turn making the market more competitive in terms of pricing .

Product life cycle model helps to analyze the maturity stages of products and industries. This term was used for the first time by Theodore Levitt in 1965. Product life cycle model has significant impact on the organisations strategies and performances. It identifies the different stages affecting the sales of product from the time of introduction till retirement. Applying the Product Life Cycle Analysis model to the Marks and Spencer's Clothing business, we can conclude that the Clothing business is still in the growth stage.

Referring to the available data in figure 4 , the Clothing Business is further segregated in different sub sectors: Men's outerwear, Women's outerwear, children's wear, clothing accessories, underwear and nightwear and socks, stockings and tights. Though many of these subsectors are leading in the

market but they still have lots of scope to grow. For example men's outerwear was no 1, in the market but it still had market share of only 8.34%. While if we see the other subsectors, they are still competing with other companies to gain the number one position like children's wear and clothing accessories which has market share of less than 5% for the former and less than 3% for the later.

Boston Consulting Group Matrix Boston consulting group matrix was created by Bruce Henderson for the Boston Consulting Group in 1968 to help organisations to analyse their product line. It helps the company to allocate resources and is used as an analytical tool in product management and portfolio analysis. Boston Consulting Group matrix has two dimensions: Market share and Market growth. This method tells that bigger the market share is or the fastest the market growth of product is the better it is for the organisation.

As seen in the figure 4, Underwear and nightwear products have a high market share of 19.4% and comfortable enjoys number one slot in its segments. The profits and cash generations from this product is quite high and it does not need high investment. While, Men's outerwear, Women's outerwear and Socks, stockings and tights have around 9% of market share but they are leading the segment and have shown good market growth. But the products Children's wear and clothing accessories have very low market share and they are at fourth spot. 1. Targetting a niche market means that only a sizeable amount of customers are being targeted and hence capital investment is less. 2. As the niche market being targeted shares common

characteristics and culture so it is easier to achieve growth in this segment once company is able to penetrate the market.

3. Being one of the most famous brands in UK, it is easier for the company to convince the customers about the quality and the services provided by the company. Disadvantages 1. Targetting a niche market is always considered as a risky strategy, because company is focusing into totally new segment which it has no experience of. 2. Focussing on a specific market means, revenues are being diverted to focus on a different unknown market and in the case of failure or if the expected results are not achieved then it can really be cause of trouble. 3. Without proper study and analysis of this market, it is very difficult to penetrate it, which means company need to spend considerable time and resources to gather the data related.

5. Recommendation On evaluating the probable strategies , by considering the Ansoff Model, Porter generic strategy, Penetration Strategy and Niche strategy, we can suggest that the best suitable strategy for Marks and Spencer would be to maintain its Comptetive edge and focus on the Market penetration strategy. Being a brand name, it is already well known in the market so, it is not facing new customers, hence it is easier for the company to focus on this market as it already has a presence and it knows well about the trends and culture prevalent in the market. While, keeping the experience of recession and the maturity of clothing industry of uk , marks and spencer should also need to venture into the gorwing economies like India, Brazil and China.

Company should consolidate its position as these are countries with fastest growing economies and the buying capacity of consumers have increased . They are also the countries with the largest customer base. To conclude, the recommended marketing strategies for Marks and Spencer for the next three years should be Penetration Strategy and the Diversification Strategy.

### Internal Marketing Audit

Internal marketing audit is a process of evaluating and assessing the internal factors of the organisation. It not only helps to identify the strengths and weaknesses of the organisation but also determines its competitive advantages. Internal audit focuses on some of the key areas which includes: current state of new product development , evaluation of profitability of product portfolio, effectiveness of customer relationship management, effectiveness of customer facing processes, effectiveness and efficiency of distribution and finances are to name a few.

Here, we have assessed the product life cycle and the product portfolio through PLC and BCG matrix. We have also used Porter's value chain analysis to audit the internal environment of the organization, because of difficulty in finding the accurate data; we have made assumptions as well. And in the end we have done the SWOT analysis to determine the strength, weakness, opportunity and threats.