

Adopting the marketing audit

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



The report discusses the relevance of adopting the marketing audit and the key external factors affecting the organisation of my choice (Argos LTD) and the industry that it operates within. Using this information I shall analyse the correlation between the external factors and planning within the internal environment of the organisation. Having identified some of the four aspects of the analysis in regard to the organisation, some recommendations will be made on possible conversion strategies.

The marketing audit is formed of a range of elements in order to assess both the internal and external environment within a business. The audit is formed of various elements which provide an overview of the position within the business its current market, allowing organisations to plan ahead and make appropriate adjustments within the business. The audit is a vital element of planning, as it demonstrates the position of the company around the market it functions within, providing a clear insight to the strengths and the weaknesses which could subsequently reduce competitive advantage and the bargaining power of customers. " The marketing audit is a template for assessing the organisation's current position in terms of its marketing activities. It provides a comprehensive system of examining everything that impinges on the organisation's marketing planning, but it is not itself a provider of answers" (Blyth J 2010).

In order to understand the external market of any organisation it is crucial that we differentiate between the macro and the micro environment.

Throughout the years, increased rapidity of change within the external environment has brought about an ever increasing focus on all aspects of the PESTLE analysis, the most common tool used to analyse the Macro

environment." PESTLE analysis is a useful tool for understanding the "big picture" of the environment, in which the organisation operates, and the opportunities and threats that lie within it" (RapidBI. 2007).

The micro environment is however the force that affects the particular organisation which can be broadly broken down into three groups, the suppliers, customers and competitors. A successful organisation must identify the external environment in order to make efficient use of its internal resources, which help identify its core competences." The starting point for analysing core competencies is recognising that competition between businesses is as much a race for competence mastery as it is for market position and market power"(tutor2u. 2008).

Organisations can use trends in the macro external environment to proactively plan and set new objectives and to respond to customer needs. Firms can study trends in the socio cultural environment which consists of socialculture, structure and demographics to identify patterns on how the consumer groups will be expanding or diminishing in the future. For example the chosen organisation may forecast that in the next five years the population of the 20 to 30 year olds will decrease and the population of the 40 to 50 year olds will increase by 30%. they can then use such information to shift their target market over the following years, to offer products better suited to the new target segment. This can provide greater organisational capability in competing with their respective market segments.

Argos LTD is a part of Home Retail Group, the UK's leading general goods retailer. The company has a range of competitors such as Amazon, Currys

and Ikea. It could be said that the organisation faces a high level of competitors as there is no particular product for consumers to become loyal to and therefore consumers will purchase goods from a particular store they notice a particular convenience or value by doing so. " Argos' core customers belong to the C2 & D socio-economic groups, earning between £7, 000 and £25, 000 annually. This consumer group has been one of the hardest hit by the 2008 financial crisis and the resulting fiscal tightening policies put in place by the government to repair the damage caused".(loveconsulting. 2011)

Since 2008 the company has refrained from losing much market share by offering store cards to attract its target market (C2 ; D socio-economic groups) and keeping up to date within the technological environment and globalisation, through efficient distribution technologies such as online sales, quick delivery and online catalogues. " Argos, which is also working on enhancing its website, will roll out more self-service tills in its stores and introduce a " much clearer" layout, which includes shifting the browser units to the middle of stores and displaying products on walls"(Harrison, N . 2010).

By taking a resource based view in relation to changes within the external environment and the use of environmental scanning, The organisation has managed to keep prices competitive and adjust the structure of the internal environment to suit a wider market segment by adding a range of new products to suit a higher income category customers and modifying channels of distribution such as the store layout and website stay up to date with the technological environment.

An organisation must understand the varied effects of technological change and have a sound knowledge of the impact this can have on the different aspects of the business. For example an organisation who implements a new technology into its processes may have a higher chance of exploring a new market or offering a more efficient service which will result in them becoming a stronger competitor in their chosen sector. " In most industries, organizations must be flexible and be ready to innovate and to adopt new technologies as they come along. The way in which (and the extent to which) organizations do or do not employ the latest technology can be an important determinant of its competitive advantage". (James, E. 2008)