

The Marketing Audit

How businesses spot change and decide what to do next

MARKETING FUNDAMENTALS (BMBM4005)

What did
we do last
week?



Today's Session

MARKETING PLANNING

THE MARKETING AUDIT

MACRO ENVIRONMENT

MICRO ENVIRONMENT

INTERNAL ENVIRONMENT

By the end, you will be able to use an audit to support a marketing decision.

Why is planning important?

What might happen if a business launches a product without checking whether customers want it?

The Planning Process

- **Situation:** What is happening now?
- **Objectives:** What result do we want?
- **Strategy:** Which customers will we focus on?
- **Tactics:** What will we offer or communicate?
- **Action:** Who will do the work and when?
- **Control:** How will we measure the result?



The First Stage of Marketing Planning

- The marketing audit gathers and analyses information about the organisation, its customers, competitors and wider environment.
- This involves a systematic analysis of each element of the environment.

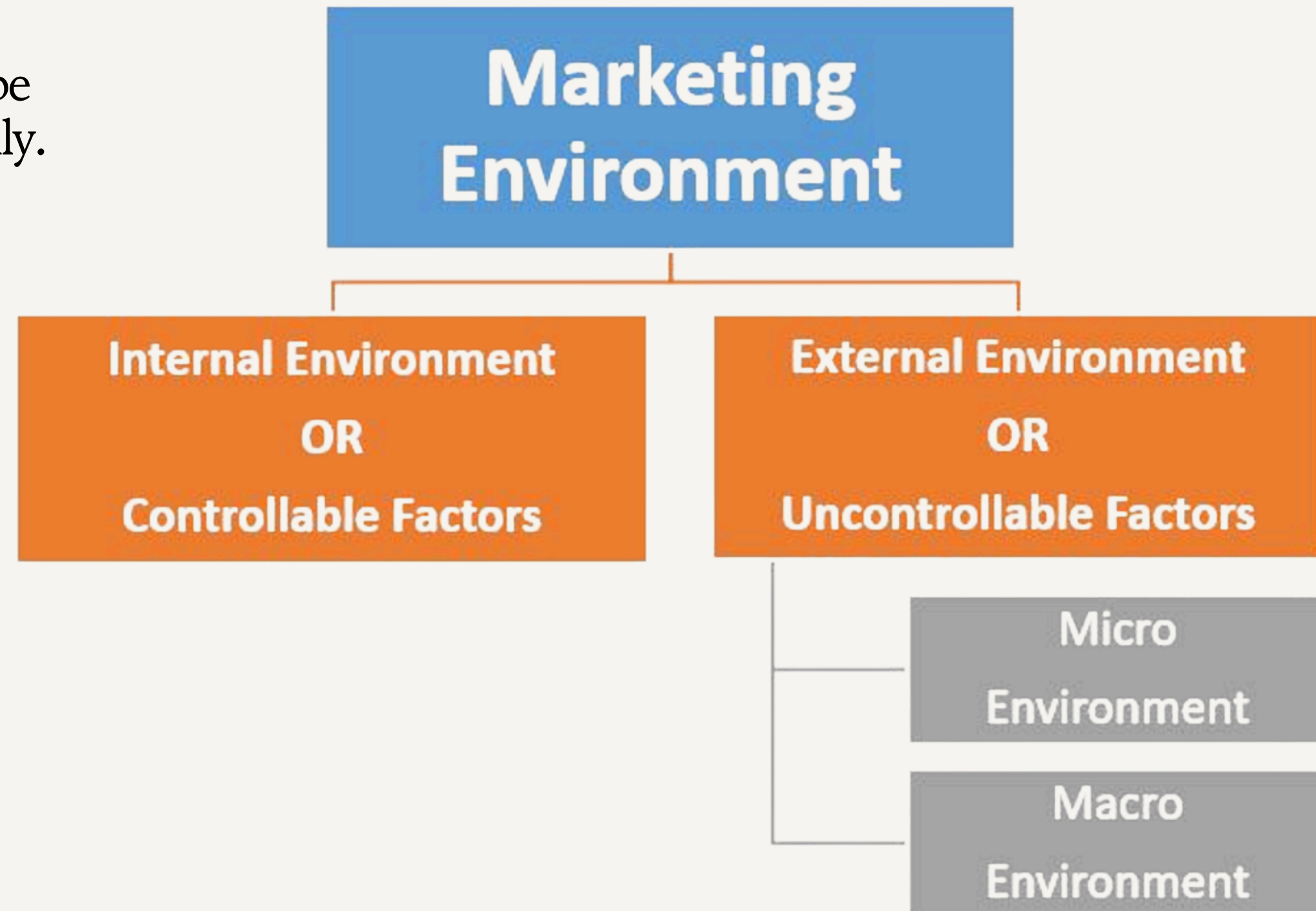
The purpose is to identify issues that could affect marketing decisions



The Business Environment can be evaluated externally and internally.

The macro, micro and internal marketing environment

Businesses have more direct control over internal factors, but they still need to monitor and respond to external change.



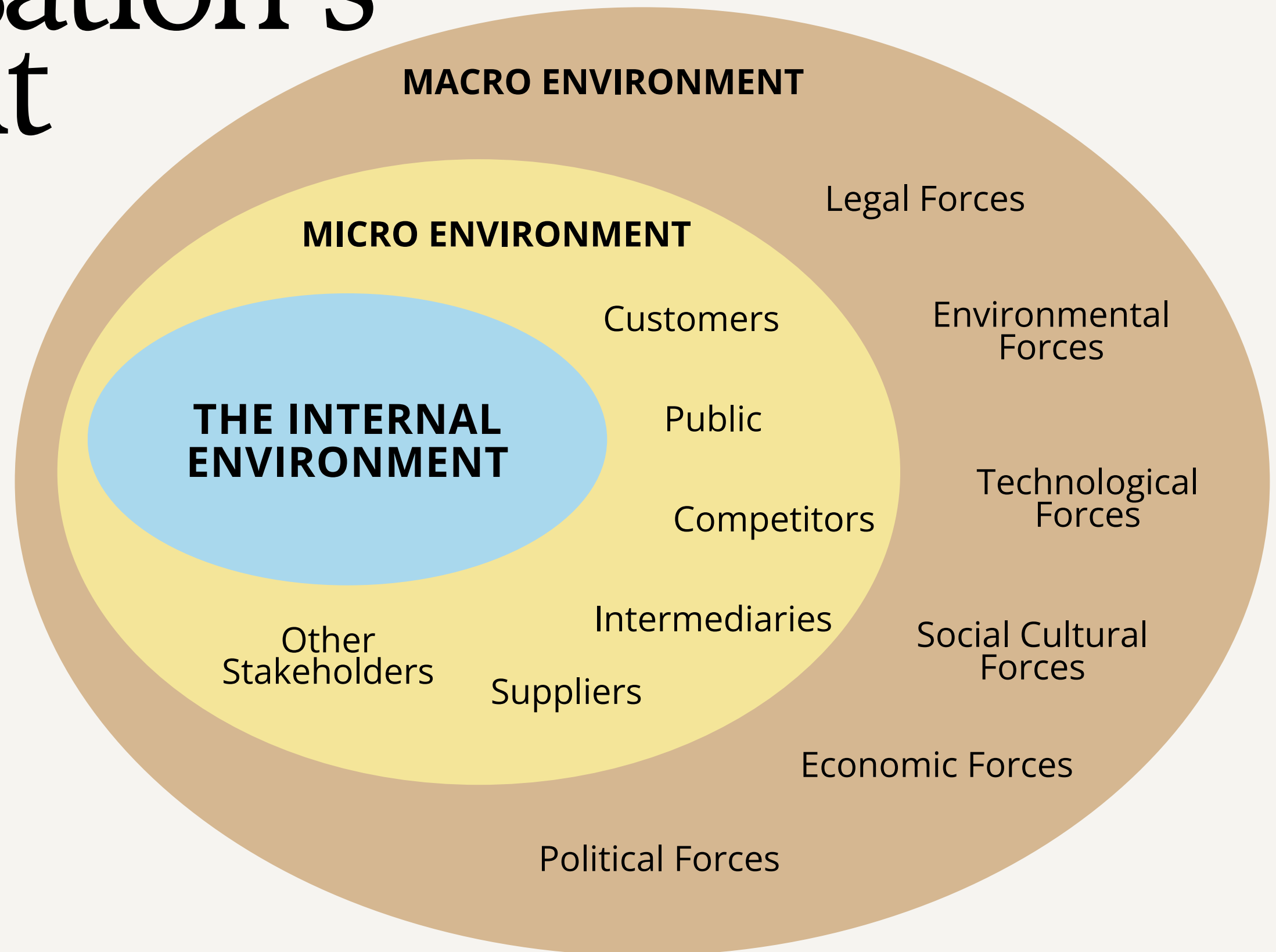
The Organisation's Environment

SEQUENTIAL ANALYSIS FROM OUTSIDE IN.

Macro: broad forces that affect many organisations

Micro: customers, competitors, suppliers and other close market actors

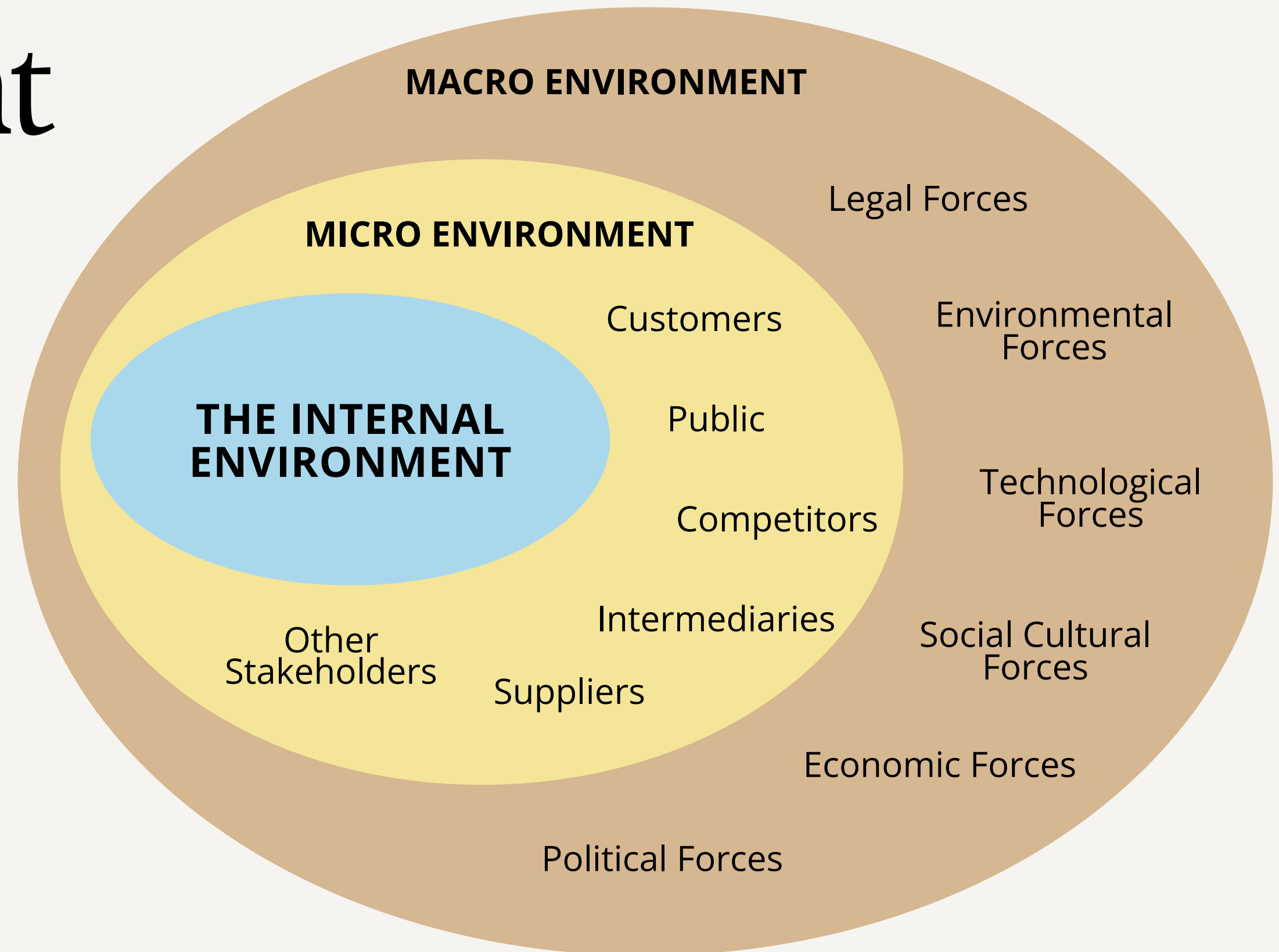
Internal: the organisation's resources, people and capabilities



The Macro Environment

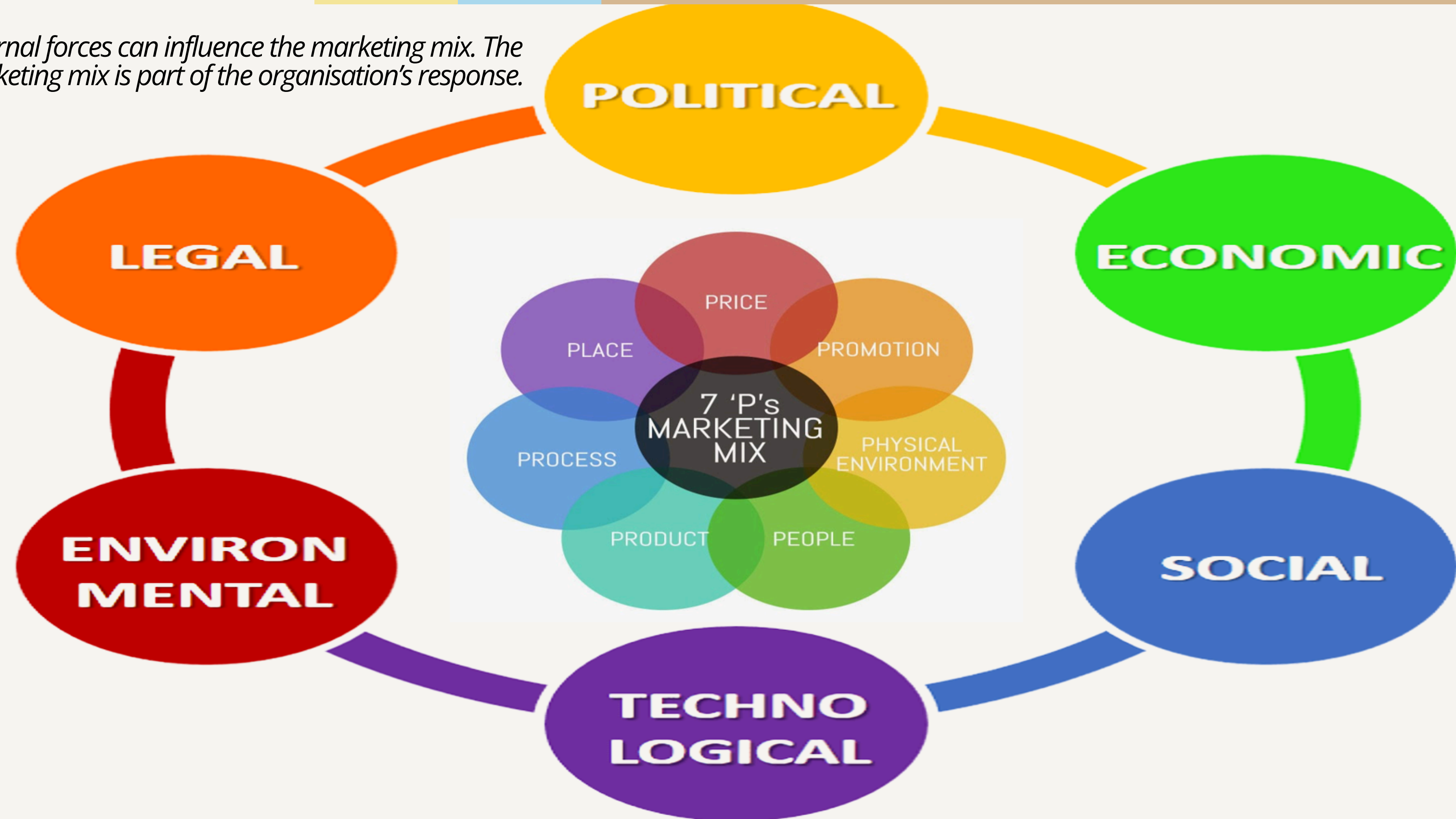
THE MACRO ENVIRONMENT

- The big picture
- What's going on outside the organisation that could impact on it?



PESTLE & 7PS

External forces can influence the marketing mix. The marketing mix is part of the organisation's response.



The Macro environment is analysed using PESTEL (Sometimes called PEST, STEP, STEEPLE)

P

Political

- Taxation policies
- Trade restrictions
- Tariffs
- Political stability

E

Economic

- Interest rates
- Exchange rates
- Inflation rates
- Raw material costs
- Employment or unemployment rates

S

Societal

- Population growth
- Age distribution
- Education levels
- Cultural needs
- Changes in lifestyle

T

Technological

- Technology development
- Automation
- R&D

E

Environmental

- Climate
- Weather
- Resource consumption
- Waste emission

L

Legal

- Discrimination law
- Consumer law
- Antitrust law
- Employment law
- Health and safety law

Greggs reported that in 2025 its total sales increased by 6.8%, while its underlying operating profit fell by 4.0%. Its app was scanned in 26.7% of transactions in company-managed shops, up from 20.1% in 2024. In your group, choose one PESTLE factor that could help explain a change or challenge for Greggs.

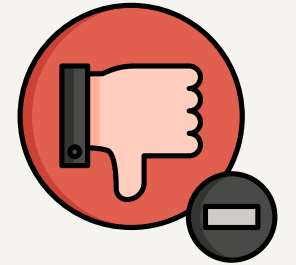
Discuss:

- What external change or trend should Greggs investigate?
- What evidence would help Greggs understand it?
- How might it affect customers, costs or sales?
- What marketing decision could Greggs consider?





Advantages vs Disadvantages



- Simple framework
- Helps understanding of the wider business environment.
- Encourages the development of strategic thinking
- Can enable an organisation to anticipate future business threats and take action to avoid or minimise their impact
- Can enable an organisation to spot business opportunities and exploit them fully

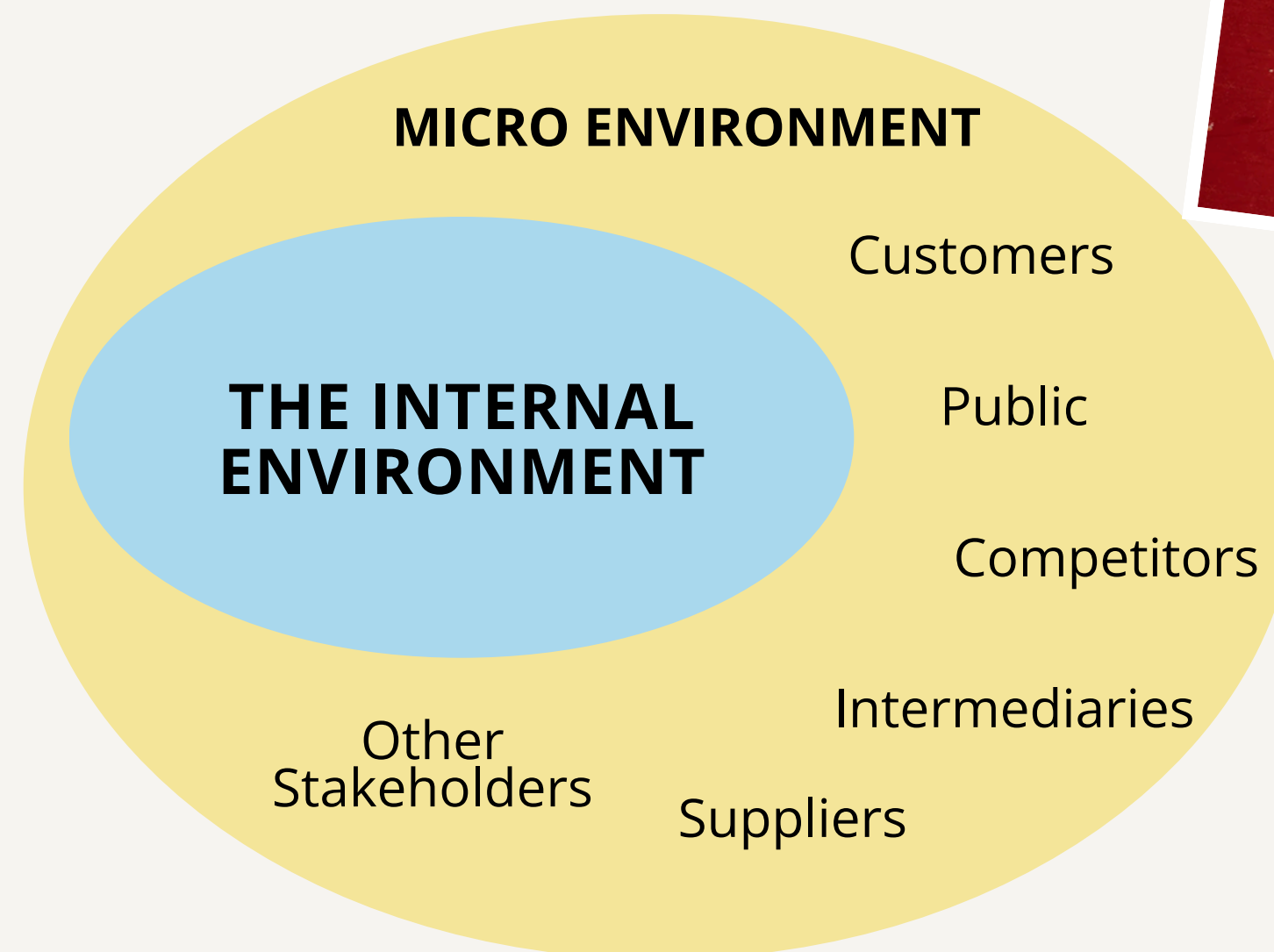
- Can oversimplify the amount of data used for decisions
- The risk of capturing too much data may lead to 'paralysis by analysis'
- The data used may be based on assumptions that later prove to be unfounded
- The pace of change makes it increasingly difficult to anticipate developments that may affect an organisation in the future
- To be effective, the process needs to be repeated on a regular basis

Analysis of the environment presents new opportunities and threats to the business

The MICRO Environment

THE MICRO ENVIRONMENT

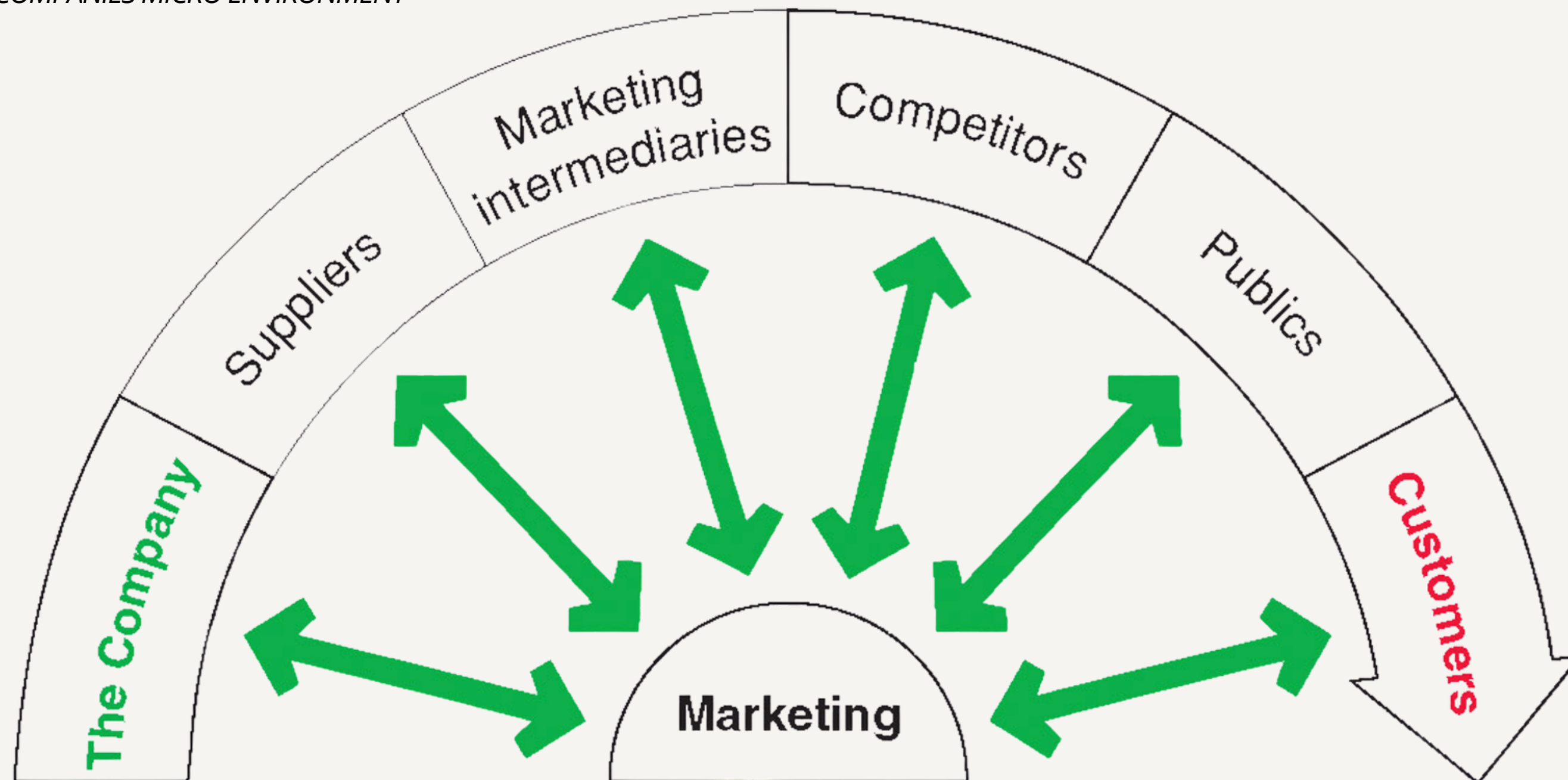
- Refers to the immediate operational environment
- Includes all factors which impact directly on an organisation and its activities, in relation to the particular market in which it operates



The Company's Microenvironment

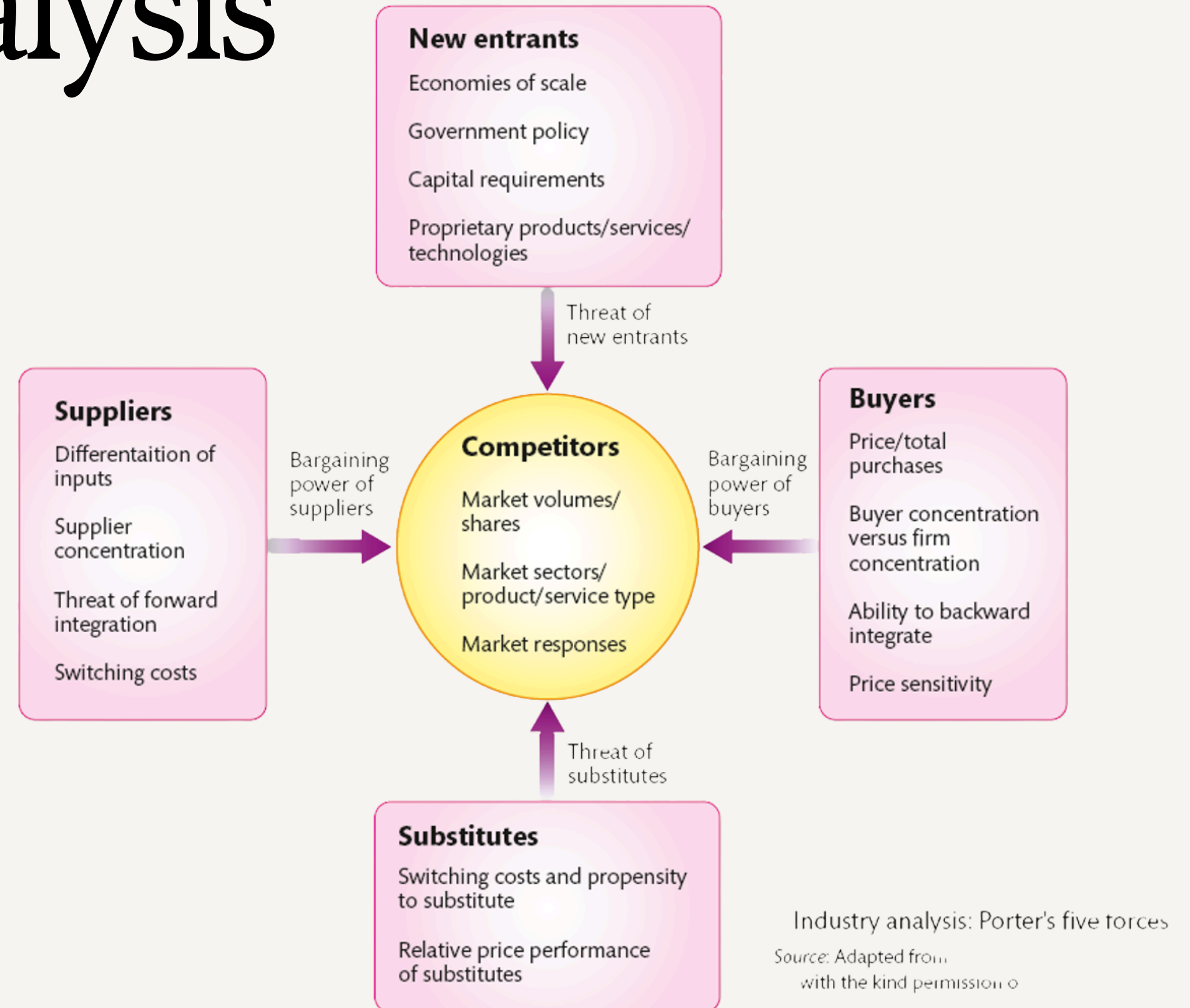
ACTORS IN THE COMPANIES MICRO ENVIRONMENT

How might the company work with each of these?



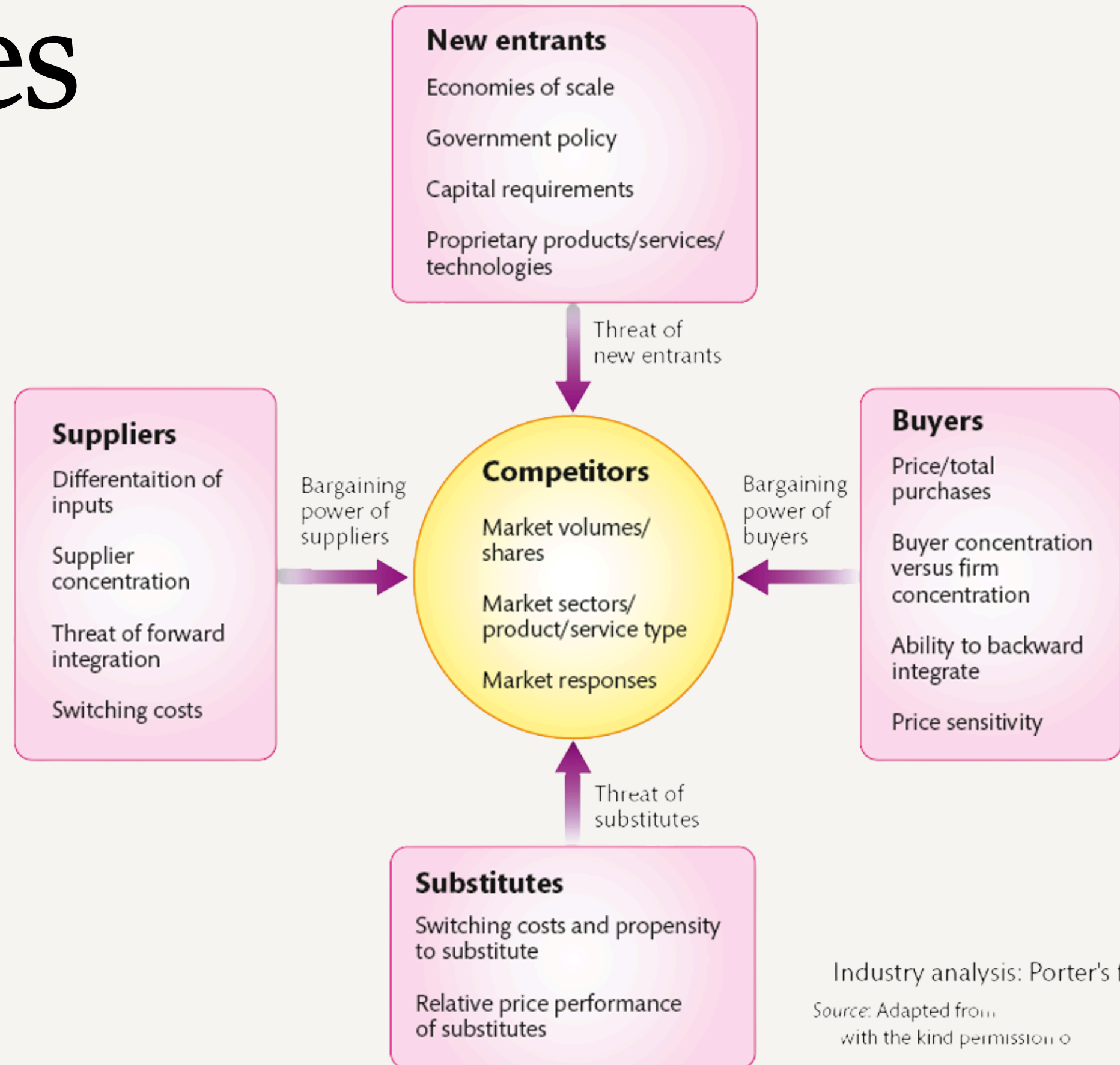
Competitor Analysis

- *What is their current strategy?*
- *Where do they compete?*
- *What is their response profile?*
- *How will they respond to environmental changes?*
- *What is their ability to respond to your actions?*
- *What is the battleground you should fight them on?*
- *Should you fight them at all?*



Porters 5 Forces

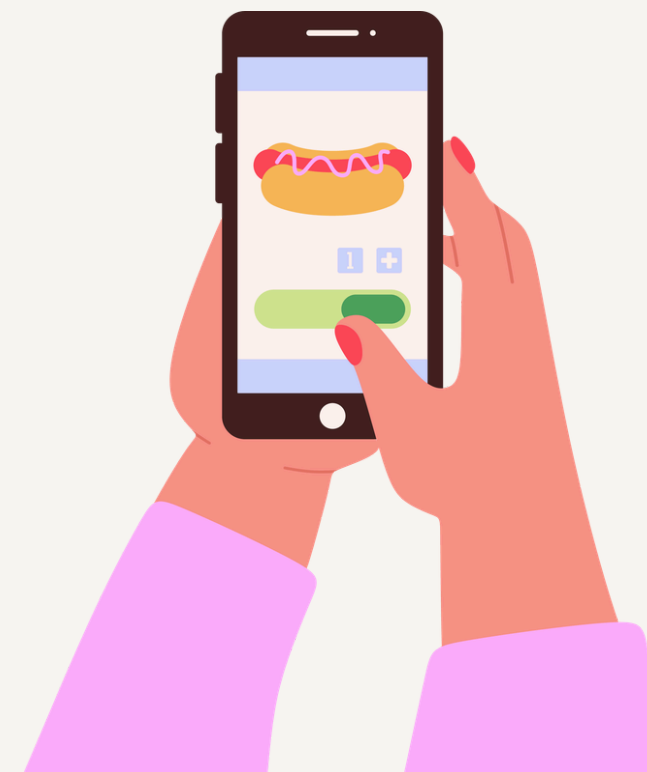
- Developed by Michael Porter of Harvard University
-
- It looks at competitive pressure across an industry
- Identifies the *attractiveness of industries* – which industries/markets to enter or leave.
- Identifies *strategies to influence* the impact of the forces, for example, building barriers to entry by becoming more vertically integrated.
- The forces may have a *different impact on different organisations* e.g. large firms can deal with barriers to entry more easily than small firms.



Industry analysis: Porter's five forces
Source: Adapted from
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Customer Analysis

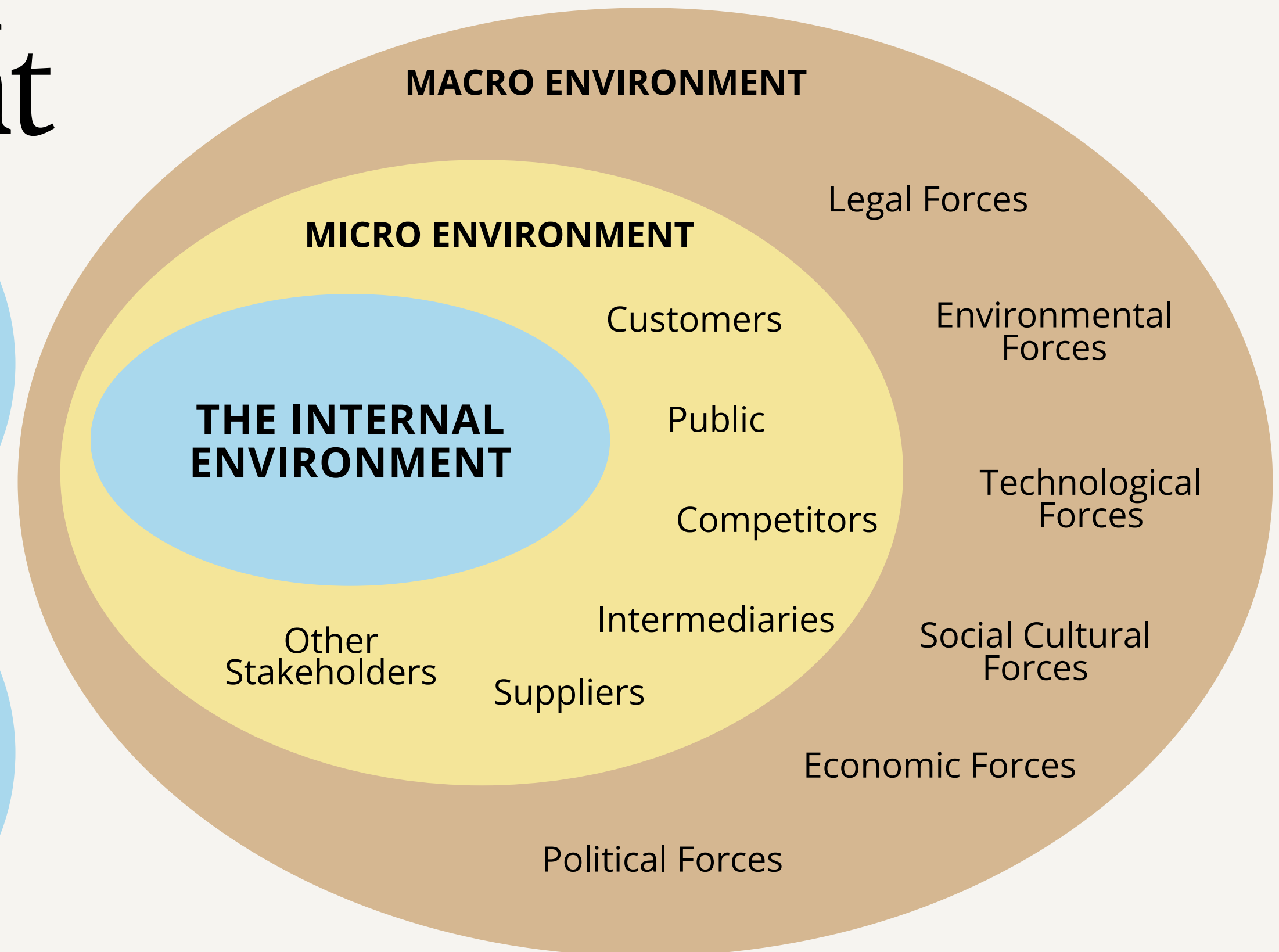
- What are the customers needs?
- Buying volumes and trends?
- Why do they buy from you?
- Where do they buy from you?
- Why do customers you want not buy from you?
- Who are your competitors; who succeeds in winning, developing and retaining customers?



The Internal Environment

THE INTERNAL ENVIRONMENT

- Physical Resources - machinery, buildings and equipment and their age, condition, financial value
- Human Resources - Staff, their motivation, commitment, capabilities etc.
- Financial Resources - Sources of money e.g. equity or loan, funding sources
- Intangibles - Brands, patents, reputation and relationships (e.g. with customers)



S STRENGTHS	W WEAKNESSES	O OPPORTUNITIES	T THREATS
• Things your company does well • Qualities that separate you from your competitors • Internal resources such as skilled, knowledgeable staff • Tangible assets such as intellectual property, capital, proprietary technologies etc.	• Things your company lacks • Things your competitors do better than you • Resource limitations • Unclear unique selling proposition	• Underserved markets for specific products • Few competitors in your area • Emerging need for your products or services • Press/media coverage of your company	• Emerging competitors • Changing regulatory environment • Negative press/media coverage • Changing customer attitudes toward your company

SWOT brings the audit together

ASSESSMENTS

MARKETING FUNDAMENTALS