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## Marketing Audit

### Marketing Mix

One of the most basic models of marketing is the 4Ps, which states that any organisation can find success by manipulating the balance of: -

- Product
- Place
- Price
- Promotion

Over time 3 further 'Ps' have been added to the list: -

- People
- Professionalism
- Process

Together these elements make up the marketing toolkit that is used to shape the profile of the organisation presented to the outside world. From the information determined a coherent marketing plan could be formulated.

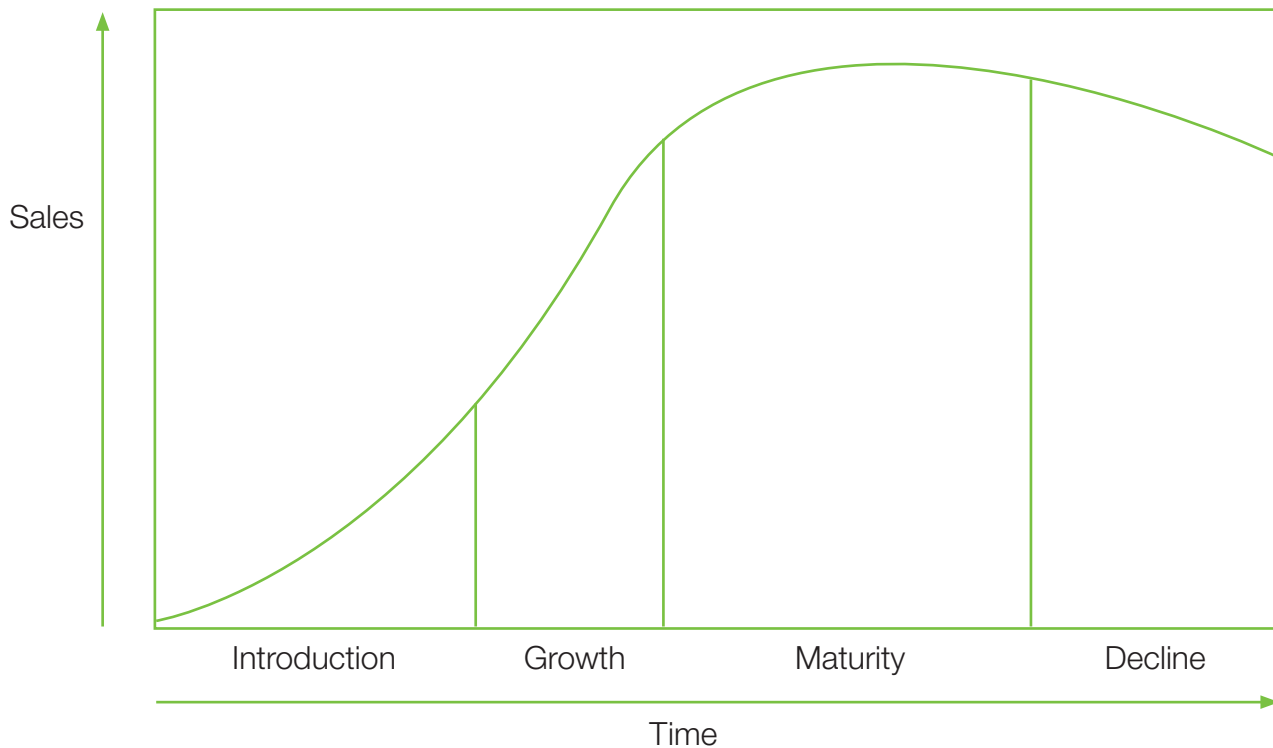
### Product Life Cycle

The product life cycle is, in many ways, one of the best known and straightforward of marketing models. It is based on the idea that any product or service has a finite life and that during this life there is a need to manage it in particular ways, depending upon the position it has reached. It is important to have a portfolio of services at all stages of the life cycle to keep a balance.

This model considers a product / service over their “lifetime”, from when it first hits the market until it disappears into obscurity. The concept is that all products / services go through a life cycle although they can vary greatly from one to the other with some staying in a particular stage longer than others.

Depending where your product / service is on the life cycle will help determine what strategy is most appropriate for it – and these phases and strategic options for each phase are explained below.

### The Product Life cycle



- **Introductory:** Sales volumes / Revenues start off relatively low and show a slow rate of growth as sales are limited to innovators and early adopters – eg plasma wide screen TVs. During this stage it is possible to charge a premium for the product as research has shown time and again that the “must haves” are prepared to pay that bit more. Also some firms will charge as much as they think they can get away with in order to recoup development costs in the shortest possible time
- **Growth:** After a while, Sales volumes / Revenues increase as the solution gains acceptance in the market eg DVD players. Prices start to fall as volume increases and thus it becomes increasingly more attractive to the Mass market. DVD players went from £150 plus down to £under £30 in just over 2 years.
- **Mature:** Volumes and Revenues remain relatively high, but the rate of growth starts to slow down as the market potential is reached - eg hoovers. The “Hoover” had not really changed in almost 40 years and sales were fairly slow until Dyson entered the market and so the life cycle started again. At this stage we often witness the product development strategy (see Ansoff) in order to rekindle interest. For example as DVDs started to become “mature” recordable models were introduced. Likewise mars introduced a range of branded confectionery ice cream.
- **Decline:** As the market reaches saturation (and other more innovative solutions present themselves) sales Volumes / Revenues start to decline. Repeat sales are made to existing customers and new sales are made only to the ‘laggards’ – eg 35mm cameras. The digital camera is now so common and affordable that Dixons have stopped selling 35 mm cameras. ipods will replace Walkman.

The life cycles of products and services are getting shorter and shorter due to technology, ever increasing demands from customers and cheap components.

To succeed it is essential that you know at what stage of the product life cycle each of your products /services currently is and how soon it is likely to move to the next stage.

Note: Product Life Cycle is often used in conjunction with the Ansoff matrix.



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## Competitive Advantage

At its most basic, a competitive advantage is anything that an organisation is capable of doing more effectively than another organisation. It is important to focus on differentiating factors that customers will see to be of value to them. For example competitive advantage could be cost/price based, niche marketing or service differentiation such as certain quality aspects

## Internal and external assessment

SWOT  
Strengths  
Weaknesses  
Opportunities  
Threats

This is the most commonly used – and abused – management-planning tool of the past decade. It is easy to be bland and meaningless with the details. So how can a SWOT be made more rigorous and useful:

- Split the organisation up and look at dept/teams/services etc separately (they will all vary and have different strengths etc)
- Get lots of different people to do the SWOTS and also involve clients and other stakeholders – they will see things differently
- Avoid the temptation to simply prepare a list - instead evaluate them, rank them
- Use the information to create basic objectives eg
  - Match strengths to opportunities
  - Use strengths to overcome weaknesses



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## PEST

Political/Legal  
Economic/Competitive  
Social/Cultural  
Technological

A framework that is designed to help in the process of identifying how the environment is likely to change over time, assess whether these represent opportunities or threats and what action the organisation needs to take. It is helpful to assess each one in the following format

1. Identify the probable developments
2. Determine the likely effects on the organisation
3. Establish whether it is an opportunity or a threat
4. Agree the necessary actions required as a result of the above information

OTHER FACT SHEETS IN THE MARKETING SERIES ARE DETAILED BELOW  
PLEASE FEEL FREE TO DOWNLOAD

- The marketing mix
- Creating an effective marketing plan
- Marketing communications
- Database marketing