

## MARKETING AUDIT AS THE INSTRUMENT OF MARKETING INCREASE EFFICIENCY WITHIN THE CONDITIONS OF ECONOMIC INSTABILITY

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**Abstract.** In the article it was examined the theoretical aspects of marketing audit as a method of determination and efficiency increase of enterprise marketing activity. The marketing audit intaking gives an opportunity of more optimal modern methods usage of planning, organization, monitoring and increase of marketing efficiency.

**Keywords:** marketing efficiency, methodology, control, infobase, marketing indexes.

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On a background of economics crisis domestic enterprises have to search the new ways of searching, involving and effective co-operating with consumers. The situation is complicated by intensifying of foreign competition and debts that accumulated in many Ukrainian enterprises (*Dadio, 2006*). Therefore within the modern conditions of economic instability the marketing audit gains the all greater popularity as means, that is able to define problem spheres, to find new possibilities and to offer steps in relation of increasing of marketing efficiency of marketing enterprises activity.

The marketing audit is understood as competent, independent, periodic and all-round research of basic factors of external and internal environment, aims, strategies and marketing activity of enterprise with the aim of preventive exposure of problems and hidden potential, and also developments of adequate marketing strategy (*Derev'yanchenko, 2015*). Marketing audit as a variety of entrepreneurial activity and independent control form - though can carry obligatory character, but it is elected by the enterprise proprietor (by managers) optionally. The public accountants must give reasonable conclusions in regard to the real state and further improvement of marketing activity of enterprise. The results of marketing audit as preventive prognosis estimations and recommendations are formed with taking into account a market situation becoming in further an infobase for the acceptance of administrative decisions and as the result, they assist the clear orientation of enterprise to the target market.

The important part of marketing audit takes the evaluation of marketing efficiency as in totality as in separate components. Marketing efficiency first of all is characterized by the components of marketing orientation:

- by an orientation on a consumer (the understanding of the enterprise's managers the meaningfulness of satisfaction of the customers' needs, the development of variable suggestions and marketing plans for different market segments);
- by marketing integration (the realization of necessary control after implementation of basic marketing functions at the enterprise, the co-ordination of marketing department communication with other subdivisions);

- by adequacy of information (the information sharing the managers in regard to potential of sale, the profitability of different market and territories, size of parties, orders, realization of marketing researches segments and so on);
- by a strategic orientation (the marketing planning, the level of taking on discount and planning of unexpected circumstances);
- by operative efficiency (the awareness of employees of enterprise in regard to marketing strategy, the efficiency of allocation of marketing resources, the level of reacting on various unexpected situations and so on) (*Praisner, 2009*).

Generally known, that marketing activity of enterprise requires enough considerable investments, and that is why it is extremely important to find out, whether assumed measures allow to objectives to be achieved and in which manner. But one of the problems, that arises up in the process of management, consists of absence as of one-for-all approach as general evaluation methodology of efficiency of marketing enterprise activity. Most practitioners assert that the effect of marketing activity consists in increasing of volumes of sales and profit increasing.

Nowadays for determination of efficiency of marketing activity is used two approaches: 1) the efficiency as degree for the aims achievement and 2) as a relation of effect from marketing activity to the charges on its realization. To our opinion, the size of charges on marketing and its efficiency has an extraordinarily large value for modern market activity of enterprise.

The audit examines effectiveness of marketing activities, as a size of quality, but not of quantity (a numerical calculation can be not used). The effectiveness is estimated after possibility of the achievements of the same results at the cost on marketing or greater result at the same charges. Partly an answer for these questions is determined with the applied methods and approaches for marketing. The second part of the answer is determined by the enterprise's structure, marketing and marketing strategies.

The efficiency of marketing activity can be characterized by such indexes as: volumes of market segment; level of consumers' satisfaction; their loyalty to the enterprise; priority of commodity brand comparatively with competitors, market capacity, amount of the attracted new clients, frequency of references of clients to the enterprise, amount of the retained clients from a number of existing clients, amount of successful contacts and so on.

To the financial indexes of marketing activity is taken a profit yield, income and profit from the realized products, charges on product promotion. However, limitation of such approach is obvious, because marketing charges must include the charges on forming and realization of marketing complex at the enterprise, its brand, database of marketing activity and functioning of the checking systems.

Every marketing index has its own system of measuring. The essence consists in measuring of all factors that can influence on end-point with the aim of leveling of any risks. The evaluation system must embrace all indicators of activity: from data of bookkeeping and administrative account to the impressions and wishes of clients.

The approach that envisages the evaluation of marketing efficiency in long- and short-term periods is interesting. In accordance with the analysis of marketing activity in a short-term period marketing efficiency is measured by indexes that characterize the income and volumes of product realization, in long-term - by the indexes related to the brand (loyalty, knowledge, perception of brand and so on) of data of bookkeeping and administrative account to the impressions and wishes of clients (*Farris at all, 2009*).

By means of evaluation, all modern methods of determination of marketing activity efficiency at the enterprise are divided into:

- quantitative methods - envisage comparison of effective marketing indexes with the charges on its realization, in particular, it is profitability of investments in marketing, cost of brand, market success of company in the zone of competitors, on the basis of financial estimation, when efficiency is determined or from position of appreciation of market value of business, or on the basis of analysis of profitability index of marketing investments;
- sociological methods are aimed at the use of instruments of the applied sociology, namely: to marketing and sociological program development and to providing the researches in accordance with these programs (for example, evaluation of communication efficiency);
- expert (subjective) methods envisage using of the special knowledge and practical experience of experts for the receipt of general judgements in relation to efficiency of marketing enterprise activity mainly as estimations (points). On the basis of expert estimations (which is often carried out by the specialists of enterprise marketing service) there is thesegmentation and choice of the target market segments, positioning of commodity, forming of assortment (leading out to the market of new commodities, elimination and so on) segments, price politics is formed and improved; there is offering as the directions of effective sale activity as the improvements of communication enterprise activity;
- the quality methods of determination of efficient marketing activity are based on realization of marketing audit - all-embracing, systematic, independent and periodic verification of marketing environment, aims, strategies and certain directions of marketing activity for the enterprise in a whole or for its separate structural subdivisions. An audit is conducted by own forces or by independent experts.

On the Ukrainian enterprises the approach of efficient marketing activity measuring by index of ROIM (a return of investments in marketing) is quite popular, that is considered as a relation of difference additional income from realized marketing actions and prime prices of mine-out commodities (services), that moves up due to marketing actions, to the cost of marketing activity.

The independent examination of marketing quality is carried out by international organization of Marketing Quality Assurance Ltd (MQA) that was created in 1990. The activity and structure of MQA is realized in accordance with European Standard of EN 45012. Marketing Quality Assurance Ltd (MQA) renders services from the certification of marketing enterprise activity in accordance with the systems of the international standards of series of ISO 9000. The approaches realized in the standards of BS 5750, ISO 9000, ES 29000 yielded to criticizing for the point that inspite positive influence on quality of commodities, they small attained in relation to a consumer. For example, MacDonald asserts that none of existent standards satisfy the consumer's need. The estimation of marketing quality of MQA keeps the standards (there are 35 standarts) which are divided into three directions: orientation on a consumer; business, marketing and sale plans; managers' responsibility. The system of the marketing efficiency evaluation is envisaged in these standards, undoubtedly, allows exactly, objectively, many-sidly to estimate marketing activity of enterprise. But this methodology also is not divulged in accordance with commercial secret, because such service from a certification is paid. Except certification methodology of marketing enterprise activity is extraordinarily labour intensive and hardly can be used in practice of domestic enterprises as a independent unit.

Mostly, marketing efficiency is estimated in accordance with such stages:

- the aim (aims) determinations of marketing enterprise activity;

- the choice of marketing instruments, necessary for aims realization;
- the evaluation of efficiency by the enterprise's using of a certain marketing instrument;
- the establishment of correlation between the results of evaluation of marketing instruments efficiency at the enterprise;
- the calculation of integral index of marketing activity efficiency at the enterprise;
- the conclusions on results the evaluation of marketing activity efficiency at the enterprise and suggestion in relation to its improvement.

The basic method of evaluation of marketing activity efficiency at the enterprise is its own control. The control of marketing activity envisages the decision of such basic tasks :

- the determination of parameters (indexes) of activity, that have to be controlled;
- the determination of the actually attained results according to control parameters;
- the comparison of target and actual marketing indexes;
- the determination of the rejection reasons of actual indexes from target one;
- the elaboration of the steps in relation to perfection of marketing activity at the enterprise means the adjustment of current plans, the acceptance of new one (Aubrey, 2007).

The marketing audit, first of all, does possible the systematic preventive process of measuring and evaluation of results of strategies realization and marketing plans and realizations of correcting actions, that provide the achievement of its aims, and also exposes the problems and new possibilities in those spheres of business, where an enterprise can score a long-term economic success. The realization of marketing audit is based on the basic types of control, that can be used at the enterprise, namely:

- the target productive-sale indexes (control of annual plans) establish the accordance between the volumes of commodities realization and services, profit, by the enterprise profitability between separate commodities and services, between target markets; and also the aims achievement. The top management and also the managers of the middle link are responsible for this type of control and acceptance of the proper. Mostly they should control such indexes as market, expenses and sale volumes, coefficient of the stored products, packing coefficient, subsorting coefficient, part of defective commodity, level of implementation of contractual obligations, part of timely products supplies, absolute size of rejection of supply control mostly from the conditions of the agreement, assortment rejection, evenness of supply and so on;

- the control of profitability is carried out on adding to control of annual plans. It is important for enterprises with the changing commodity assortment, and also for large enterprises that spread their goods and services on many target markets. Here necessarily it is examined the direct and indirect charges on marketing. The inspectors or marketing inspectors are responsible for this type of control. They should control such indexes: rates of turnover height after marketing activity, rates of operating profit height after marketing activity, profit from marketing activity, profitability of commodities, territories, market segments, trade channels, orders activities and so on;

- the strategic control, the variety of which is the marketing audit, is directed to providing the perspective aims achievement at the enterprise, increase of marketing efficiency on the whole. The strategic control informs about necessity of making changes at the enterprise activity in the future, promotes its chances on a survival in the conditions of national and international competition, deals with risk indexes and potential of success. The top management of enterprise and public marketing accountants are responsible for strategic control. They control the accordance of enterprise strategies to its aims, the level of enterprise

competitiveness and its commodities, the balance of products brief-case, the accordance of products assortment to the consumers' need and market tendencies and so on;

– the operative marketing-control is directed to the necessity of indexes adjusting and efficiency of marketing activity and their evaluation with the aim of profit optimization. It is related to the concepts "charges" "incomes". This type of control is realized by the leader of marketing service and specialists who are responsible for implementation of separate functions. The operative control is directed to form and controlling the marketing price politics of enterprise, sale politics, calculation of charges on packing goods, sale and commodity promotion, the controlling after implementation of annual plans (possibilities of sale, market share), the controlling a correlation of charges on marketing and sales volumes and so on.

It is necessary to mark that there is an influence no marketing system checking such as: the size and volumes production, the level of production diversification, the state of economic indexes of activity, the character of competition relations of enterprise at the market, the charges on creation and maintenance of control service or the cost of control services, the qualification of the staff, the complication of the aims and tasks; the level of corporate and marketing culture and so on.

It is known that influence on the marketing programs has an integral effect that lasts during a few years: from one side, the marketing programs are directed to promote a current profit, and from other side, they assist strengthening of enterprise image. Within the framework of this criteria of the marketing programs efficiency (and, thus, value of valueadded of business) depends on four financial factors: the volumes of the expected money streams; period of money streams generation; stabilities; the risks that are connected by the marketing programs. And thus and basic attention of public accountants must direct to the evaluation of action exactly of these factors taking into account the principles of the balanced system construction of marketing indexes :

- the management changes must be done by the top management of the enterprise;
- the strategy must be transformed in a continuous process;
- the integration of every employee in realization of marketing strategy must be penetrated through daily functional duties;
- the enterprise reorganization must work for strategy realization;
- the marketing strategy must be explained to the team.

Thus, the analysis of marketing efficiency in the process of marketing audit according to basic directions of charges estimation, functions and uneconomical indexes of marketing with the using of economical and mathematical methods and models with a clearly certain algorithm will allow effectively to organize marketing at the enterprise, estimate attained end-point aims of marketing activity (profit, market share, volume of realization and so on), and also accept effective administrative decisions in relation to realization of marketing activity at the enterprise.

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