

**ST. MARY'S UNIVERSITY COLLEGE**

**FACULTY OF BUSINESS**

**DEPARTMENT OF MARKETING MANAGEMENT**

**AN ASSESSMENT ON MARKET AUDITING PRACTICES IN CASE OF  
(SUN SHINE CONTRACTION PLC)**

**BY:**

**HABEN T/MICHEAL**

JUNE, 2013

SMUC

ADDIS ABABA

**AN ASSESSMENT ON MARKET AUDITING  
PRACTICES IN CASE OF (SUN SHINE  
CONTRACTION PLC)**

**BY:**

**HABEN T/MICHEAL**

**A SENIOR ESSAY SUBMITTED TO THE  
DEPARTMENT OF MARKETING MANAGEMENT**

**BUSINESS FACULTY**

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**APPROVED BY THE COMMITTEE OF EXAMINERS**

_____	_____
<b>Department Head</b>	<b>Signature</b>
_____	_____
<b>Advisor</b>	<b>Signature</b>
_____	_____
<b>Internal Examiner</b>	<b>Signature</b>
_____	_____
<b>External Examiner</b>	<b>Signature</b>

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# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 Back Ground of the Study**

Marketing audit takes an overview of the business and evaluates the whole marketing function. It requires a detailed assessment of the company's marketing efforts to see if they are the most appropriate for the firms and market conditions. Therefore marketing audit is a systematic, critical, unbiased review and appraisal of the basic objectives and politics of the marketing functions. It also addresses the way in which marketing is organized, its methods, procedures and people employed to implement the polices.

Marketing audit is essentially an evaluation of where the company's marketing function is at present time, basically a marketing audit is the means by which company can understand, how it relate to environment, in which it operates. it is also the means by which a company can identify its own strengths and weakness as they relate to external opportunities and threats. It is thus a way of helping management select a position in the environment based on known factor (hill wood ruff 1996; 116-118)

Sunshine construction plc is a private limited company owned by Atosamueltafesse the company is engaged in different kinds of construction and real state development business. At the present it has five different sites namely bole beshalecmc, bole beshale around auat real estate, legytafo, deluxe apartment with the aim of building different types of modern and attractive objective of maximizing productivity and profitability.

Sunshine private limited company has been and continued to be one of the leading construction companies in the country. It has worked towards bridging the gap in the growing demand of the market having the fact in mind the student researcher will tries to evaluate the marketing audit practice of sunshine construction p.l.c

### **1.2 Statement of the Problem**

Marketing audit practice of any business is like a corner stone in assuring the organizational objective are achieved marketing audit is a part of internal control system of the administration that plays it own part in the performance of the function of providing reasonable assurance that the objective of the administration are achieved (sied, 2006;21). The lack of marketing audit in a business organization will result in the lack

of continuous assurance service of the business well being and healthy flow of activities (gupta and arara 1996;165-169).

The degree of independent of marketing auditor can serve a positive or negative force towards achieving the professional independence in fact and in practice.

Thus by considering the above premises, the company under study (sunshine construction P.L.C) also faces problems on accessing effectiveness of the marketing effort and its related outcomes which is made evident with an interview with the management of the company. On a preliminary interview with the management staff shows that sunshine construction P.L.C conduct various marketing activities making use of available marketing tool as advertisement (mass and personal), and various promotion tools as, discount offering, sponsorship and other form of publicities. Although the company invests in the above mentioned activities the return of these marketing efforts individually or as group was not measured appropriately. It is the increase in sales which the company uses to measure the effect of its marketing activities but it has been difficult for the company to put a direct and convincing link between the increase in sales and its marketing effort. Its auditing system has failed to show this direct link.

Based on this, the research will concentrate on the evaluation of the function of marketing audit on the identifying problems and limitation of marketing audit practices; effect of marketing audit practices on the explaining of factors that are related to problems and effectiveness of marketing audit and on measuring of what contributions marketing audit will have in improving the company practices.

### **1.3 Basic Research Questions**

As indicated the company under study was going through a serious of faults in its marketing audit practice in studying the marketing audit related issues and searching for a solution the research will focus on the following research questions and aim at articulating the problem and come up with a solution.

1. What were the effects of the company's marketing audit practices in the planning and controlling system?
2. How was the auditor keep their degree of independence from task they are reviewing?
3. How did the company evaluate the effectiveness of its marketing audit practice?



## **1.4 Objective of the Study**

### **1.4.1 General Objective**

The general objective of this study will be to conduct marketing audit in sunshine construction plc in its real estate section.

### **1.4.2 Specific Objective**

- To evaluate the company's audit practice and its effect on the planning and controlling system.
- To assesses the degree of independence of the marketing audit or in reviewing their task.
- To evaluate the company's marketing audit practice and its effectiveness towards the established goals and objective.

## **1.5 Significance of the Study**

The researcher will expect to add the existing knowledge and information in the area of marketing audit. It will also provide lesson as to how marketing audit is conducted in the organization. The study will encourage other researchers and students who undertake marketing audit studies and provide a broader understanding on the subject. The research finding will also use as a reference for other students will be conducted in the future. Moreover, the finding will be helpful for the case study company i.e. Sunshine Construction P.L.C. in its future performance and decision making.

## **1.6 Scope of the Study**

The scope of the study will be to identify measure and analyze the marketing condition of the company using the elements of marketing audit applying on the employee's management and customers of sunshine real estate business sector. Although the company under study operates throughout the country the marketing audit practice on Addis Ababa will only be assessed because the time, resource and data limitations and because it is in the city of Addis Ababa that majority of the operations of the company on real estate is concentrated. The time under consideration will be limited to the period 2009-2012. This is because data for earlier years is not available.

## **1.7 Research Design and Methodology**

### **1.7.1 Research Design**

In order to answer the above basic research questions the student researcher was used to descriptive research method. This method helps to describe the research setting through both qualitative and quantitative approach.

### **1.7.2 Population Sample Size and Sample Techniques**

The target population of the study includes the manager's, marketing personnel, control staff and employees of company. There were about 502 employees out of which 200 were on temporary bases. The student researcher was exercise judgment sampling, which make it a purposive type of sampling for the manager's, marketers, control staff and inspection process personnel. Especially staff members of marketing audit activity and other who directly and indirectly involved in the auditing system of the company was participate in the study as respondent to structured interviews and questionnaires.

In determining the sample size the student researcher was consider a sample size that is manageable, accessible and can likely be able to represent the population to efficiently address the sample and manage properly. About 30% of the population i.e.A total of 100 samples were addressed through questioner and interview. Out of which 20 were personals in different managerial positions in the company.

### **1.7.3 Types of Data to Be Collected**

The data collection method was includes both primary and secondary data.

### **1.7.4 Source and Methods of Data Collection**

For the primary data source was collects from direct interview with five of top level management and questionnaires were distributed for employees of the company. The secondary data was collect from the company, company website, pamphlets. Books.... etc.

### **1.7.5 Data Analysis Method**

The study was used both qualitative and quantitative data analysis techniques. The responses that were collected from questionnaires were analyzed, tabulation of the results was done showing the number of responses to each question and percentage of respondents who were given each possible response to the questions, responses that were obtained through interview was narrated qualitatively.

### **1.10 Limitation of The Study**

The data available for the analysis was retrieved from the company's record and other sources that have a stake on the matter. And since some the data used for the analysis are secondary data, there was an expected limitation on the availability or disposal of the data required for the analysis. Moreover, another limitation might be employees reluctant to fill the questioner.

### **1.11 Organization of the study**

The study is organization in four chapter the first chapter gives introduction which includes background of the study, statement of the problem, basic research question objective of the study, significance of the study, delimitation (scope) the of study, research design and methodology and organization of the study. the second chapter deals with review of related literature. The third chapter in corporate data presentation, analysis, and interpretation. Finally, summary, conclusions and recommendation are presented on the fourth chapter.

## CHAPTER TWO

### REVIEW OF RELATED LITERATURE

#### 2.1 Meaning of Marketing Audit

A number of scholars define marketing audit in a man ways and here are some of the definitions as follows according to William zikund Michael d'amico(1996) 250 marketing audit defined as marketing audit is a comprehensive appraisal of the organization marketing activities and involves a systemic assessment of marketing plans, objection strategies, programs, activates, organizational, structure and personnel. The marketing audit assesses the chances of getting here to there.

According to Philip kotler(2007;168)a marketing audit is a compressive , systematic, independent and periodic examination of company's or business unit's marketing environment, objectives, strategic and activities with a view to determining problem areas and opportunities and recommending a plan of action to improve the company's marketing performance.

According to cravens hills woodruff marketing (19 96;156) marketing audit is defined as is an in depth assessment of the marketing function or department a marketing audit is essentially an evaluation of where the company's marketing function is at present time. Basically a marketing audit is the means by which a company can understand how it relates to the environment in which it operates. It is also the means by which a company can identify its own strengths and weaknesses as they relate to external opportunities and threats. It is, thus, a way of helping management select a position in that environment based on known factors.

The marketing audit is a fundamental part of the marketing planning process. It is conducted not only at the beginning of the process, but also at a series of points during the implementation of the plan. The marketing audit considers both internal and external influences on marketing planning, as well as a review of the plan itself. Here the marketing audit is used some tools to evaluate marketing performance of an organization, for example SWOT analysis for the internal environment, as well as the external environment (Excel IJMMS 2011).

Marketing planning in particular requires an understanding of factors directly associated with the customer response to business marketing efforts such as advertisements, branding, pricing and promotions (Stevens et al. 2005).

Although the basic premises of the marketing audit have remained as (Kotler, Gregor and Rodgers :1977) suggested, many authors have contributed to the development and further refinement of different aspects of the audit.( Brownlie:1993) suggested a strategic role for the marketing audit as an instrument of intervention and change. Many authors have elaborated on general parameters for a set of guidelines, to encourage uniformity and commonality in conducting the audit. The use of a structured questionnaire to assist with the collection of uniform information (Kotler 1993) and the use of a checklist of diagnostic questions (Wilson 1993, Brownlie 1993) have been recommended. The marketing audit has also been considered as a necessary part of the marketing planning process. It has been suggested that the scope and nature of the marketing audit need to be broadened to include a global perspective (Rothe, Harvey and Jackson 1997). Some authoritative writers on the subject (Kotler 1977, Wilson 1993, Brownlie 1996b) view the marketing audit as an instrument to judge an organization"s overall commitment to a marketing orientation.

Some of the management"s needs for continually updated information is provided through Marketing Information Systems (MkIS) and Marketing Decision Support Systems (MkDSS). But these technologically assisted information sources, although providing a substantial amount of information, do little more than the processing of historical and current information. The proper use of these techniques as decision-making tools requires analysis and interpretation of the information by the user. The more advanced method, Intelligent Marketing Information Systems (IMkIS) incorporates the capabilities of (MkIS) and Artificial Intelligence to provide management not only with data, but action oriented information. This system, however, has its limitation in being too narrow and lacking in wide application as a decision making tool (Amaravandi, Samaddar and Dutta(1995, 140)

To effectively conduct a marketing audit, an internal audit department or an outside consultant were envisioned as auditor. All companies need to review, with a marketing audit, their marketing operations from time-to-time to ensure that they are in line with the changing environment and emerging threats and opportunities (Kotler, 1995). In the first instance, agreement must be reached among company officers and the auditors on the objectives, coverage, depth, data sources, report format and the time period for the audit (Kotler, Gregor 1995)

Research is done to provide a new concept that can be used for the betterment of the organization or the human being. Marketing audit is not behind that. As in a financial audit, any "standard" audit program format has its limitations. The marketing professional services (MPS) audit that follows is no exception.

That is MA no specific standard by which audit can be performed. If it is practiced, organizations are able to reach to the hill of the goal by the way of increasing the market value of the share and the company's overall financial performance. A MA is a thorough examination and evaluation of marketing practices and results. It offers a baseline for performance measurements and a framework for effective business planning to maximize positive external perception and demand generation as well as minimize the internal conflict regarding marketing activities.

The goal of the MA is to improve the overall marketing efficiency by presenting a correlative action plan to management. Marketing audit helps to examine all the activities which have been stated in the budget are done accurately with true and fair view or not. How should the MA be enhanced to ensure its use in the future? There appears to have five areas which need to be addressed in the MA for the 21st century: (1) globalization of the MA; (2) support for the marketing controller position in the organization; (3) incorporation and measurement of the ecological efforts of the marketing programs in the organization; (4) integration and periodic and continuous marketing control efforts to provide a seamless control mechanism; (5) broadening the MA concept to focus on resource management and control. Marketing audit may match between the internal capability of the organization and the external market dynamics. The audit can become a blunt and divisive ideological weapon in the hands of the unwary or ill-prepared. This is why, any organization looking to employ an external consultant to perform a MA should, therefore, look for intervention capabilities too. Therein lays another danger of one-off MAs they can become associated in the minds of employees as signaling serious management concerns, or as weapons which management use to justify a course of action it has already decided to pursue anyway. As a result they are always under the tension and someone may have left to assist the auditor to conduct audit.

## **2.2 Types of the Marketing Audit**

Audits are normally conducted for such areas as the strategic business unit's marketing environment objective and strategy, planning and control systems organization, productivity and individual marketing activities such as sales and advertising.

A major principle in marketing audits is to start with the market place first and explore the changes that are taking place and what they imply in the way of opportunities then the auditor moves on to examine the company's marketing objectives and strategies, organization and systems in more detail. We view a full marketing audit as having six major types according to William zikund Michael d'amico(1996;156).

The marketing environment; audit requires the firms present and future environment with respect to its demographic economic, technological, political, social, and competitive components. The intent is to

identify the more significant trends to see how they affect the firm's customers, competitors, channel intermediates, and suppliers.

marketing strategy audit; the marketing auditor proceeds to consider whether the company's marketing strategy is well postured in the light of the opportunities and problems facing the company the starting point for marketing strategy audit is corporate goal objectives followed by the marketing objectives.

Marketing organization audits; deals with the firm's structure it has to cover the question of the effectiveness of marketing and sales organizations as well as the quality interaction between marketing and other key management functions such as manufacturing, finance, purchasing and research and development at the critical times a company marketing must be revised to achieve greater effectiveness within the company and in the market place.

Marketing productivity audit; includes an effort to examine key accounting data to determine where the company is making its real profits and what if any marketing costs could be trimmed it also studies the cost effectiveness of the various marketing activities. William zikund Michael d'amico(1996;156).

Marketing function audit; it examines in depth how adequately the firm handles of each of its marketing-mix elements, question relating to the product concern the attainability of the present product line objectives, the extent to which individual product fit the needs of the target markets and whether the product line should be expanded or contracted. Price questions have to do with elasticity; experience effect relative costs and the actions of major competitors and consumers perceptions of the relationship between product price and its value distribution question center on coverage, function performed and cost effectiveness question on advertising focus on advertising objective and strategies media schedules and the procedures used to develop advertising messages.

Marketing system audit; is an evaluation of the systems for marketing analysis, planning and control, seeks answers to questions such as how does information flow from the market to decision makers.

The audit provides the information from which the first of these questions is answered. An audit, then, is a systematic, critical and unbiased appraisal of an organization's market environment and of its operations. A marketing audit is also part of the larger management audit and is often undertaken as part of a wider business planning process. William zikund Michael d'amico(1996;156).

**components of marketing audit** Marketing audit should start with the market place at beginning and should explore the changes that are happening in the marketplace. Then the marketing audit will move to examine the company's marketing objectives and strategies, organization and systems. The marketing auditor may move to examine one or two key functions in more detail that are important to the marketing performance of the company. The marketing audit follows the following areas as components of marketing audit: William zikund Michael d'amico(1996: 89),

### **1. Marketing Environment Audit**

The auditor is firstly started their audit by looking at the factors that affect all companies operating in marketplace, and also looking at their customers and their profits. Under marketing environment audit, following two environments are concerned, because these are very important under the marketing audit. (Kotler, Gregor 1997)

- **The Macro-Environment**

The Macro-environmental component examines six main areas, the detail depending on the involvement of the business and involvement required by the industry. Under marketing audit, the macro environment covers some environmental factors, like, Demographics – major demographic developments and trends pose opportunities, Economical factors - developments in income, prices, savings and credit will affect the company under that, Environmental factors, Technological factors - changes occurring in product and process technology and company's position in these technologies, Political factors - changes in laws and regulations might affect marketing strategy and tactics and the changes in the areas of pollution control, equal employment opportunity, product safety, advertising, price control, that affects the marketing strategy of company, Cultural - public's attitude towards business and toward the company's products and changes in customer lifestyles and values might affect the company, (Kotler, Gregor 1997)

- **The Task Environment**

How competitive is the marketplace? What are competitors doing, and are they doing it well? What might they be preparing to do? These are all vital to understand in preparing yourselves for the battle. The task environment audit is evaluated under Markets - market size, growth, geographical distribution and profits and major market segments, under customers - customers' needs and buying processes and also product quality, service, sales force and price, Competitors, Distribution & dealers, Suppliers, Facilitators & marketing firms and Publics. (Kotler, Gregor 1997).



## **2. Marketing Strategy Audit**

The marketing strategy audit is vital for company, and the marketing audit is make sure that the company's marketing strategy is fit with company's marketing goals and objectives as well as corporate goals and objectives. Under the marketing strategy audit, the auditor evaluate marketing performance by evaluating marketing goals and objectives, company mission the move to the strategy of organization. Under strategy evaluation, the auditor may concern following type of questions: (Kotler, Gregor 1995)

Has the management articulated a clear marketing strategy for achieving its marketing objectives?

Is the strategy convincing?

Is the company using the best basis for market segmentation?

Does the company have clear criteria for rating the segments?

Has the company developed an effective positioning and marketing mix for each target segment?

## **3. Marketing Organization Audit**

The marketing organization audit is mainly considered effectiveness of the organization activities as well as efficiency of operation of company. Here all the activities and main management functions are considered such as manufacturing, purchasing, financing as well as research and development. Here the marketing auditor must make sure that the company is actually achieved the effectiveness within the organization and also within the marketplace. And also following types of questions are considered by marketing auditors: Are there good communications and working relations between marketing and sales?

Is the product-management system working effectively?

Are product managers able to plan profits or only sales volumes?

## **4. Marketing System Audit**

Here the marketing auditor is considered whether the company is using appropriate marketing systems to collect the information, plan the activities, control the operations and to maintain smoothly their day to day activities and whether these systems are properly worded within the company or not. Those are the main things, the marketing auditor must consider under marketing systems audit. Most of the organizations are today having different type of marketing systems to collect the information and control the operation. Such as marketing information systems, marketing planning systems, marketing control systems and new product development systems. These systems have its own functions. Here the marketing auditor task is to make sure whether the systems are properly worked or not.

## 5. Marketing Productivity Audit

Most of the companies are operating to earn so much of profits. The marketing productivity audit is focused on evaluate the company profits and revenue. So the marketing productivity audit is very important to evaluate the marketing performance. The marketing auditor is used profitability analysis and cost effectiveness analysis for their evaluation process. Under the marketing productivity audit, following type question asked by marketing auditor:

What is the profitability of the company's different products, markets, territories and channels of distribution?

Should the company enter, expand, contract or withdraw from any business segments?

Do any marketing activities seem to have excessive costs?

Can cost-reducing steps be taken?

## 6. Marketing Function Audit

Under the marketing function audit, the auditor is using marketing mix elements to analyze company functions such as product, price, place and promotion. Here marketing auditor evaluates marketing performance by asking questions under product, price, place and promotion such as

What are the company's product-line objectives?

Which products should be phased out?

Which products should be added to?

What are the company's pricing objectives, policies, strategies and procedures?

To what extent are the prices set on cost, demand and competitive criteria?

Do the customers see the company's prices as being in line with the value of its offer?

What is the organization's advertising objectives?

Is there adequate market coverage and service?

Should the company consider changing its distribution channels?

Is the right amount being spent on advertising?

What do customers and the public think about the advertising?

## 2.3 Characteristics of Marketing Audit

According to Philip kotler (1997;184)characteristics of marketing audit is define as the follows:

**Comprehensive**the marketing audit covers all the major marketing activities of a business, not just a few trouble spots. It would be called a functional audit if it covered only the sales force, or pricing, or some other marketing activity. Although functional audits are useful, they sometimes mislead management as to the real source of its problem. Excessive sales force turn over, for example, may be a symptom not of poor sales-force training or compensations but of weak company products and

promotion. A comprehensive marketing audit usually is more effective in locating the real source of the company's marketing problems.

**Systematic** the marketing audit involves orderly sequences of diagnostic steps covering the organization's marketing environment, internal marketing system and specific marketing activities.

The diagnosis is followed by a corrective-action plan involving both short run and long run proposal to improve the organizations overall marketing effectiveness.

**Independent** a marketing audit can be conducted in six ways

Self audit, audit from across, audit from above, company auditing office, company task force audit and outsider audit

Self audits where managers use a checklist to rate their own operations may be useful but most experts agree that the self audit lacks objectivity and independence. generally speaking however the best audits are likely to come from experienced outside consultants who have the necessary objectivity and independence broad experience in a number of industries some familiarity with this industry and the undivided time and attention to give to the audit.

**Periodic typically** marketing audits are initiated only after sales have turned down sales force morale has fallen and other company problems have occurred ironically companies are thrown into a crisis partly because they failed to review their marketing operation during good times. A periodic marketing audit can benefit companies in good health as well as those in trouble.

### **Other Characteristics**

- Environment – the circumstances or conditions surrounding the agency, both within and without
- Objective – worked toward or striven for and measurable
- Strategies – plans of action
- Activities – specified and supervised fields of action
- Resources – an available supply that can be drawn on when needed
- Problem areas – situations that present uncertainty, perplexity or difficulty

## **2.4 Marketing Audit Tools and Techniques**

Marketing audit is very important and crucial part in the marketing planning process. It is not only carried out at the beginning of the marketing planning process but also it can be implemented during the marketing planning process. The marketing audit can be influenced on marketing planning process through various external and internal factors. Here there are number of marketing audit tools and techniques that are used during the marketing

planning process to evaluate the marketing performance of an organization. The following analysis tools are utilized during a marketing audit example.

### **SWOT Analysis**

**1.Strengths-** Strengths are the qualities that enable us to accomplish our mission. These are the basis on which continued success can be made and continued/sustained. Strengths can be either tangible or intangible qualities such as expertise, traits and qualities our employees possess (individually and as a team) and the distinct features that give NJCU its consistency. Strengths include human competencies, process capabilities, financial resources, programs, student services, the warm, welcoming atmosphere, and commitment to the University mission.

Example Question: What makes you proud of being a part of NJCU, related to your working group topic?

**2. Weaknesses-** Weaknesses are the qualities that prevent us from accomplishing our mission and achieving our full potential. These weaknesses deteriorate influences on our success and growth.

Weaknesses are the factors which do not meet the standards we feel we should meet. Weaknesses in an organization may be IT services and equipment, insufficient funding for research and faculty development, internal communication, etc.

Example Question: What problems exist at NJCU related to your working group topic?

**3.Opportunities-** Opportunities are presented by the environment. If we plan well, we can take advantage of environmental conditions to become more profitable and more competitive. What is critical is that we recognize the opportunities and grasp them whenever they arise. Opportunities such as competitive programs (ex: accelerated nursing, accredited school psychology programs), increasing our involvement in the community, special social or medical topic given government funding, or technology.

Example Question: What factors related to your working group topic exist that would allow us to grow and take advantage of unfulfilled needs?

**4.Threats-** Threats arise when conditions in external environment jeopardize our enrollment and funding or greater scrutiny. If compounded with our weaknesses it is particularly problematic. Threats are uncontrollable and unexpected. Examples of threats are things such as poor employee motivation due to pay freezes, lost benefits, changing technology; increasing competition from online degree offerings, lower state appropriations, rising costs of providing education, etc.

Example Question: What factors related to your working group topic exist that pose a risk to our viability and growth?

## **Value**

It is important the modern day companies craft a value statement to create strong bondage and common norms amount the workforce.

A value is a conception, explicit or implicit, defining what an individual o group regards as desirable. Values play an important role in the decision making process. People are not born with values; rather they acquire and develop them early in life. Parents, teachers, relatives and other influences an individual values. As a result, every manager and employee brings a certain set of values to the work to the work place. (William zikund Michael d'amico1996),

Topics covered in value statement include:-

.importance of customers and customer service

.commitment to quality

.respect for individual employee and the duty the company has to employee

.importance of honesty, integrity and ethical standards

.duty to stock holder

Importance of protecting the environment

A marketing audit can be defined as a systematic, periodic and a comprehensive procedure of checking out the marketing activities of a concern. Some of the other benefits and advantages of marketing audit are as follows.

- The audit provides the marketers with an in depth view of the marketing activities that are going around in the concern. It brings out a complete picture of the entire operations of the concern. While revealing the various drawbacks the audit process also leads to efficiency. This process can also be used to lay down an improved marketing plan.
- A marketing audit can help a company refine its business practices and improve its productivity and profitability.
- Marketing audit helps to marketing executives, top management and investors to ensure that they are doing the right things to help drive growth for their organizations.
- A marketing audit is a careful examination and evaluation of marketing practices and results. It offers a baseline for performance measurements and a framework for effective business planning to maximize positive external perception and demand generation.
- An audit helps the company determine the value of a sale and a sales lead.
- There are no permanent "right" answers in marketing. Customers' needs and wants are moving targets, and marketing programs require testing and retesting to find the most profitable formula. A marketing audit is the way to achieve success by providing an interim report card to help the company and their staffs tap into inherent resource.

- □Marketing audits often lead to strategic marketing change. Careful assessment of the changing environment, customers, channels, and competitors may lead to a reassessment of firm direction

### **Objectives**

Objectives are the end results of planned activity. They state what is to be accomplished, when and should be quantified if possible. The achievement of corporate objectives should result in the fulfillment of a corporate mission in effect.

.accordingly,kazmi,(2002)

Insists that, a good objective should possess the following characteristics:

- .understandable
- .Concrete and specific
- .related to a time frame
- .measurable and controllable
- .challenging
- .set within constraints
- .different objectives should correlate with each other

### **Vision**

Vision is what a firm or a person would ultimately like to become. We can say it is an aspiration expressed as strategic intent that can lead to an end.

A good organization vision should have to constitute the following qualities and has this regard to:-

- .help in the creation of common goal
- .be well articulated and easily understood
- .serve as a mental model of a future
- .sound competitive, original and unique, and
- .consider the benefit of society.

### **Mission**

The mission of business the fundamental unique purpose that sets it apart from other firms of its and identified the scope of its operations in product and market terms. The mission is general, enduring statement of company intention.

In the pursuit of indicating what a mission statement include miller (1998) points out four key elements that should be addressed which are obligations to stockholders, scope of the business, sources of competitive advantage, and view of future.

## **2.5 Assessment of the Marketing Audit Function/ Evaluation of Marketing Audit Function**

Organization supervisors should regularly assess whether the marketing audit function has an appropriate standing within the organization and operates marketing to sound principles

The supervisory authority should consider the extent to which the board of directors ,its audit committee and senior management promote a strong marketing central environment supported by a sound marketing audit function(the audit function in organtion:2011).

The assessment of the audit function should be based on the supervisory expectations. this includes

- The basic features of the audit function;
- The existence and content of the audit charter;
- The scope of the audit functions work;
- The corporate governance arrangements that apply to audit function ;
- The organization of the function with in a group or holding company;
- Out sourced audit activities.

To determine the adequacy and effectiveness of the audit function ,and its compliance with the standards, the examiner should evaluate specific standards that pertain to organization status ,professional competency and due professional care, management of the audit activity ,nature and performance of audit active these are detailed as follows:

### **1 )Organization Status**

Organizational status relates to audit departments purpose, authority and responsibility with the organizton to address board of director oversight and corporate governance, and to ensure the auditors independence and objectivity .the organizational status of audit must be sufficient to permit accomplishment of the objectivity of audit .without the support of the board of directors and senior management ,the auditors may not receive the cooperation necessary to perform their tasks.

### **2) Professional Competency and Due Professional Care**

The audit engagement should be performed with proficiency and due professional care. Auditors should possess the knowledge , skills, and other competencies needed to perform their individual responsibilities. Marketing audit , collectively ,should possess or obtain the knowledge, skills, and other competencies needed to perform their responsibilities.

### **3) Management, Nature and Performance of Audit Activities in Planning and Controlling**

The evaluation of the management, nature and performance of audit activity should consider the following attributes

- Planning and development of the audit plan
- Policies and procedures
- Coordination of audit activities
- Reporting to the audit department and senior management

### **4) Nature of Audit Work /Risk Management, Control and Government/**

Marketing audit should evaluate and contribute to the improvement of risk management, control, and governance processes using a systematic and disciplined approach

-Risk management and control

-Governance

### **5) Performance of Audit Work**

-communication of audit work

-Audit reports

-Monitoring results and follow-up



## CHAPTER THREE

### DATA PRESENTATION, ANALYSIS AND INTERPRITATION

In this chapter of the paper, the collected data is presented and discussed in detail. So based on the response, analysis has been given. For collecting primary data 100 questioners are distributed to the employees. Out of which 80 are to non managerial employees and the remaining 20 is for employees in management position. Out of the data distributed 75 percent is collected and the response is tabulated and the implications are presented. Furthermore, internal and external environmental analysis and marketing audit analysis is performed. The data collected is analyzed and presented in this chapter.

#### 3.1. Analysis of the General Characteristics of the Employees /Respondent /

**Table 1 Data presentation and implication On Employee responses on company mission, vision, objective and structure**

No	Item	Response							
		Strongly agree		Agree		disagree		Strongly disagree	
		frequency	percentage	frequency	percentage	frequency	percentage	frequency	Percentage
1	Have you seen any written statement about the Organization's mission, vision and objectives?							75	100
2	Do you believe the organization's mission statement clearly stated?					15	20	60	80
3	Does the organization structure designed in a clear and accountable way?	10	13			65	87		

Table 1 above indicates the responses from the respondents on the organization's mission vision and objective statement and organizational structure. Accordingly, 100% of the respondents have disagreed that they didn't have the exposure to see a written statement of mission, vision and objectives of sunshine PLC. Regarding the clarity of the mission

statement 80% of the respondents are strongly disagreed and the remaining 20% disagree on the clarity of the mission statement. 87% of the respondents are “disagreed” on the organizational structure being stated in a way of clear and accountable way. The remaining 13% of the respondents “Strongly agreed” on the same issues. The above responses imply that the company didn’t have a good job in communicating its mission vision and structure among its employees. Which is not help it to create a good working environment and a sense of belongingness among its work force and provide a sense of direction

**Table 2. Employee responses on Benefit packages, motivation and level of job satisfaction**

N o.	Item	Response							
		Strongly agree		Agree		disagree		Strongly disagree	
		frequency	percentage	Frequency	percentage	Frequency	percentage	frequency	Percentage
1	Are you satisfied by your current position?					15	20	60	80
2	Does the company provide equal opportunity for employees for promotion and compensation?			10	13	5	7	60	80
3	Does sunshine real estate make a continuous effort to adjust with the current living standard?			15	20	10	13	50	67
4	Does sunshine real estate provide incentive or bonus?					25	33	50	67
5	Does the company give training to improve the skills of employees?					60	80	15	20
6	The company’s training is effective in terms of improving your capabilities to perform your duties and responsibilities			25	33	15	20	35	47

Regarding the current position or placement of employees based on their qualification 80 % of the respondents claim they were not strongly disagree with their current position and the remaining 20 % are dissatisfied. On the second item on table 2 80% strongly disagree that the company provides equal opportunity for promotion and compensation while 13% agreed and the remaining 7% disagrees.

Concerning the companies effort to adjust employees benefit package with current living standards 67% strongly disagree, 20% agree and the remaining 7% disagrees. 67 % of the respondents have strongly disagreed that the company provides incentive or bonus and the remaining 33% disagrees.

With regard to training on skill improvement, 80% disagrees and 20% strongly disagreed. On the efficiency of the training that are already been provided, 47% strongly disagree on their efficiency to help them perform better while 33% agrees and 20% disagree. This implies there is a doubt among employees with regard to the efficiency of the training offered and that there is a room for improvement in the process.

**Table 3. Employee responses on their reason for staying at sunshine PLC.**

No	Item	Response							
		Good salary		Non salary incentives		Good working environment		All are the reasons	
		Frequency	Percentage	Frequency	percentage	frequency	Percentage	frequency	percentage
1	What keeps you working in this organization?	20	27	15	20	40	53		

27% of the respondents have said that it's a "Good salary" that made them work in the organization 20% raised the issue of "Different incentives" and the remaining 53% said that it's the "Good working environment" that keeps them work in the organization. This implies that the majority of the employees prefer sunshine PLC for its good working environment.

**Table 4. Employee responses regarding marketing and quality improvement effort.**

No	Item	Response							
		Strongly agree		Agree		Disagree		Strongly disagree	
		frequency	percentage	frequency	percentage	frequency	percentage	frequency	percentage
1	There is an encouragement to participate on delivering an improved quality customer service					5	7	70	93
2	The company in general has an efficient and effective marketing plan.					35	47	40	53
3	There is effective communication system between departments within the organization.			10	13	65	87		
4	There is an effective service delivery with respect to satisfying customers.	10	13			15	20	50	67
5	communication among and within department is conducive to facilitate tasks			25	33	50	67		

As shown in table 4, On delivering an improved quality customer service 93% of the respondents strongly disagreed on the improvement of service quality and the remaining 7% disagrees. About the effective communication system between departments 53% strongly disagree that it is effective and the remaining 47% disagrees on its Effectiveness. 87% strongly disagree and 13% agree regarding the smooth communication vertically and horizontally with marketing and other department in the organization.

Regarding to the effective service delivery with respect to satisfying customers 13% of the respondents said “strongly agree” 67% said “strongly disagree” and the remaining 20% said “disagree” on the particular issue. The responses in above implies that the company’s didn’t have

on effort towards quality service, and interdepartmental communication. However, there still is a gap on its delivery service. Employees confidence on the efficiency of the marketing plan is not to be proud of. This might result in resistance in implementation.

**Table 5. Marketing manager, Sales manager, supervisors and higher officials responses regarding the mission of the company**

No.	Item	Response					
		Yes		no		I don't know	
		Frequency	percentage	frequency	percentage	frequency	percentage
1	Does sunshine real estate have clearly stated mission statement?	16	80	4	20		
2	Is the company's mission statement realistic and understandable?	12	60	8	40		
3	Is it consistent and compatible with the corporate and marketing objectives?	12	60	4	20	4	20

The above table shows that 80 % of the higher officials said “Yes” on that the company has clearly stated mission statement the remaining 20% of the higher officials says “No” to the same issue.

About 60% of the marketing managers Agreed and responded “Yes” that the company’s mission statement is stated in a realistic and understandable way and the remaining 40% replayed “No” on the same issue.

About 60% of the respondent said “Yes” on the consistency and compatibility with the corporate and marketing objectives and 20% said “No” on the same issues the remaining 20% of the higher officials responded “I don't know” “the issues. The above data implies that contrary to the view of the employees as indicated on table 1,the managers and supervisors at different level of

the company are not convinced that the companies mission statement is well displayed and communicated.

**Table 6. Marketing manager, Sales manager, supervisors and higher officials responses regarding the objective of the company**

No.	Item	Response							
		Strongly agree		Agree		disagree		Strongly disagree	
		frequency	percentage	frequency	percentage	frequency	percentage	frequency	percentage
1	Do the corporate and marketing objectives provide clear guide lines for marketing planning and control?	4	20	12	60	4	20		
2	Are the objectives consistent with the organization position, capabilities & opportunities?	4	20	12	60	4	20		
3	Are the objectives for each business unit clearly stated and consistent with the overall marketing objectives?	8	40	8	40	4	20		

As depicted on the above table 60% of the respondent “Agree” that the corporate and marketing objectives provide clear guidelines for marketing planning and control and the remaining 20% “Strongly agree” and remaining 20% “Disagree”.

About 20% of the respondent “Strongly agree” that the objective of the company is consistent with the organizations position, capabilities and opportunities the remaining 60% “Agree” on the issue and about 20% of marketing managers “Disagree” on the same issues.

About 40% of the respondent “Agree” on the consistency of the objective with the over all marketing objectives 40% of the respondents “Strongly agree” for the same issues and the

remaining 20% “Disagree” on this idea. the data implies that contrary to the view of the employees as indicated on table 1, the managers and supervisors at different level of the company are not convinced that the company’s objective is well displayed and communicated.

**Table 7. Marketing manager, Sales manager, supervisors and higher officials responses regarding the marketing strategy of the company**

No.	Item	Response							
		Strongly agree		Agree		disagree		Strongly disagree	
		frequency	percentage	frequency	percentage	frequency	percentage	frequency	percentage
1	The marketing strategy is clearly and appropriately stated			4	20	4	20	12	60
2	the strategy is convincing and properly communicated			4	20	4	20	12	60
3	The marketing strategy is the basis for market segmentation					16	80	4	20
4	There is a scope for developing and improving up or methods of segmentation					8	40	12	60
5	There is scope for reallocation of resources to achieve a greater degree of cost effectiveness					16	80	4	20
6	there is sufficient controls built in to the strategy	\		4	20	4	20	12	40

About 60% of the respondent state “strongly disagree” for how clearly and appropriately the company’s marketing strategy is stated 20% agrees and the remaining 20% disagrees.

60% of the respondent Stronglydisagrees about the convincing powers of the strategy and its proper communication 20% “Agree” and the remaining 20% “disagree”.

80% of the respondent said agree for the basis market segmentation is appropriate the remaining respondent said “disagree” for the issue discussed.

80% says disagree for the question on the scope for reallocation resources to achieve a greater degree of cost effectiveness the remaining 20% said strongly disagreefor the same question.

20% and 40% of the respondents have respectively Agree and disagree about the company’s sufficient controls built in to the strategy the remaining 40% strongly disagree on the issues.

As the data indicates that majority of the respondent didn’t agree with the company’s marketing starategy

**Table 8. Marketing manager, Sales manager, supervisors and higher officials responses regarding the personnel (stuffing) of the marking department of the company**

No	Item	Response							
		Strongly agree		Agree		disagree		Strongly disagree	
		frequency	percentage	frequency	percentage	frequency	percentage	frequency	Percentage
1	the marketing department is properly staffed with qualified personal	4	80	1	20				
2	thereis proper orientation and training program for row employees of marketing department?	1	20	3	60	1	20		



About 80% of the respondent “Strongly agree” about the marketing department properly stated with qualified personnel, the remaining 20% “Disagree” on the same issues 60% and 20% of the respondent are respectively “Agree” and “Strongly agree” about the company giving orientation and training program for new employees of marketing department and the remaining 20% “Disagree”. Hence, when employees are introduced in the company a proper orientation is given to help them easily become acutance with the job and the environment. And that problems that might arise in relation to this is minimal.

**Table 9. Marketing manager, Sales manager, supervisors and higher officials responses regarding the controlling system of the company**

No.	Item	Response					
		Yes		no		I don't know	
		Frequency	percentage	frequency	percentage	frequency	percentage
1	Is the performance of marketing regularly reviewed?	16	80	4	20		
2	Behaviors are modified in light of feedback from the control system	12	60	8	40		
3	Do the control procedures provide the strategies with a sufficiently clear and accurate picture?	12	60	8	40		

80% of the respondents have respectively “Yes” about the performance of the marketing that is regularly reviewed 20% replayed “No” about it.

60% of respondent believe that behavior of employee is modified in light of feed back from control system and the remaining 40% said “No”.

60% of the respondent says “Yes” about the control procedures provided the strategies with a sufficiently clear and accurate picture the remaining 40% said “No” about the same question.

A question not indicated on the table, about the examining of the marketing cost, about 100% of the respondent says that the marketing costs examined and validated “Annually”. Implies there is a proper follow up and control over the marketing activities of the company.

**Table 10. Marketing manager, Sales manager, supervisors and higher officials responses regarding the sales management of the company**

No	Item	Response							
		Strongly agree		Agree		disagree		Strongly disagree	
		frequency	percentage	frequency	percentage	frequency	percentage	frequency	Percentage
1	the sales force is large enough to achieve the objective it sets	4	20	12	60	4	20		
2	the sales force give emphasis to volume or profitability			16	80	4	20		
3	the sales force is fully informed of marketing objectives marketing programs & marketing development	4	20	12	60	4	20		
4	There is sufficient sales force training			8	40	12	60		
5	The sales targets are realistic	8	40	4	20	4	20	4	20
6	there is a responsible person for sales management function	12	60	4	20	4	20		
7	the turnover of sales staff is too high					20	100		
8	The number of stuff on the sales force comparable with the competitors is adequate.			12	60	8	40		

20% and 60% of respondent have respectively “Strongly agree” and “Agree” about the sales force large enough to achieve the objective it sets and the remaining 20% “Disagree” .

80% “Agree” that the sales force give emphasis to volume or profitably 20% “Disagree” about the related issues.

20% and 60% of respondent are respectively “Strongly agree” and “Agree” about the sales force fully informed of marketing objectives marketing programs and marketing developments the remaining 20% “Disagree”.

40% of respondent respond says “agree” about the companies giving sales force training 60% said “disagree” about it.

40% and 20 % “Strongly agree” and “Agree” about the company’s sales target is realistic and the remaining 20% is “Disagree” about it.

100% the respondent “Disagree “about high turn over of sales staff in sunshine real estate development .

About 60% of respondent agree on the availability of adequate sales force compared to competitors and the remaining 40% disagree”. The responses collected from managers and higher officials with regard to the sales management of the company implies that there is problems of achieving objectives, in adequacy of sales force, in the company while the rate of tern over is almost none implying that the company employs a good retention system particularly concerning the sales force.

**Table 11. Marketing manager, Sales manager, supervisors and higher officials responses on distribution system of the company**

No	Item	Response							
		Strongly agree		Agree		disagree		Strongly disagree	
		frequency	percentage	frequency	percentage	frequency	percentage	frequency	Percentage
1	the company have clearly defined channel of distributions	12	60	4	20	4	20		
2	the level of market coverage appropriate	8	40	8	40	4	20		
3	Parties involved in the distribution channel are well motivated	8	40	8	40	4	20		
4	The distributor has adequate Knowledge about the product or service?			12	60	8	40		

60 % and 20 % of the respondent are respectively “Strongly agree” and “Agree” that the company have clearly defined channel of distribution the remaining 20% “Disagree” about it .

About 40% and 40% of the respondent “Strongly agree “and “Agree” about the level of market coverage appropriate, 20% of the respondent “Disagree” about the issue.

About 40% and 40% of the respondent rank “strongly agree” and “agree” respectively for the question on how well motivated are the parties involved in the distribution channel 20% of respondent rank “disagree”

About 60% of the respondent said “agree” about sunshine real estate development on the distributor having advocate knowledge about the product or service about 40% said “disagree” for the same question.

Another point related with distribution asked is Regarding the loyalty of companies distributors in which 20% of them rank it “Very loyal” 40% “Loyalty” the remaining 40% respond “Not at all”. Majority of the respondents agree that the company’s distribution strategy and system is working properly. Parties are motivated; there is appropriate coverage and so.

**Table 12. Marketing manager, Sales manager, supervisors and higher officials responses on pricing of the company**

No	Item	Response							
		Strongly agree		Agree		disagree		Strongly disagree	
		frequency	percentage	frequency	percentage	frequency	percentage	frequency	Percentage
1	the marketing department has published pricing polices and procedures			12	60	8	40		
2	There is a consistent pricing throughout the product range?	4	20	12	60	4	20		
3	competitors pricing is regularly monitored and reviewed?	8	40	8	40	4	20		
4	pricing decision are fully integrated with other marketing decision			16	80	4	20		

About 60% of the respondent said “agree” for the question that the marketing department publishing pricing policies and policies and procedures the remaining 40% said “disagree” for the same issue.

Regarding the consistency of pricing throughout the product range about 20% of the respondent strongly agree 60% of them agree and the remaining 20% disagree that the pricing method used by the company is Consistent.

40% and 40% of the respondent respectively “Agree” and “Strongly agree” about the competitor’s prices regularly monitored and reviewed the remaining 20% “Disagree” on the same issues.

About 80% of the respondent “Agree” about the pricing decisions fully integrated with other marketing decisions the remaining 20% “Disagree”.

Moreover, 100 % of the respondent said that the organization pricing decision made by “Top level” management. And that the company use both “Proactive’ and “Reactive” pricing position. Regarding the pricing method used by the company 40% said that is it cost plus, 20% said it is competition base and another 40% said it is value based. Responses regarding the pricing implies that although the company is doing a good job regarding price consistency, competitors price follow up and integration of pricing strategy with other marketing decisions some considerable amount of the respondents on management level choose to disagree this implies there is a gap to fill regarding the above mentioned issues.

**Table 13. Marketing manager, Sales manager, supervisors and higher officials responses on advertisement and promotion activities of the company**

No.	Item	Response					
		Yes		no		I don't know	
		Frequency	percentage	frequency	percentage	frequency	percentage
1	Does the marketing department have it's own budget for promotional activates?	4	20	16	80		
2	Does the company has a clearly defined strategy to target or attract customers?	8	40	12	60		
3	Does they use appealing type of advertisement?			20	100		

About 80 % of the respondent disagree about the marketing department having its own budget for promotional activates and the remaining 20% of them agreed for the same issue.

100% of the respondent said company didn't use using appealing type of advertisement.

About 60% of the respondent said the company didn't clearly defined strategy to target or attract customer the remaining 40% agreed. The responses imply that the company didn't have a good job in advertising and promotion activities so that is can sale its products.

### **3.2. Task Environment**

#### **Market**

The market size of sunshine real-estate business is increasing rapidly this is because of the growing demand of housing, and the favorable investment policy encourage the business and help the company to increase its market share and also to clearly define its target customers.

Sunshine real-estate development segmented their market mostly based on the purchasing power of the customer's .Like foreigner's, Diaspora's and few rich people in the local country as clearly shown on the data presentation there is a clearly defined market segment.

#### **Competitors**

A company's competitive environment obviously is a major influence on its marketing programs.

From competitors point of view sunshine real estate development business is a growing industry in Ethiopia.

The real estate industry seems to be susceptible for the threat of new entrants as the number of firms licensed by the concerned government body to join the industry has increased by more than 200% between 2003 and 2005 only there by indicating the threat. However, only 135 real estate developers are found to be practically operating in the industry. It also have a number of competitors some of the competitors of sunshine real-estate business are Ayat Real Estate, GAD Real Estate, Midroc Real Estate, Berta Real Estate, Eney Real Estate, Gift Real Estate, Ambassador Real Estate, Ropack International, ZenebeFrew Real Estae, Acess real state

## CHAPTER FOUR

### SUMMERTY, CONCLUSION AND RECOMMENDATION

#### 4.2 Summery of The Major Findings

- From the analysis the researcher has observed that the mission statement of the company have clearly stated in a realistic and understandable way. However, some of the respondents disagree about the same issues. The organization's mission states what customers it serves , what type of product it offers.
- Majority of the respondents 100% of them didn't seen any written statement about the organization's mission reasons and objectives.
- Majority of the respondents' 80% of them didn't believe the organization's missions statement clearly stated
- Majority of the respondent 87%o them didn't agree with the organization structure designed in a clear and accountable way.
- Majority of the respondent 80% of them didn't satisfy by the current position they have had.
- Majority of the respondent 80% of them didn't agree with the company provision of equal opportunity for employees for promotion and compensation.
- Majority of the respondent 67% of them didn't agree with the company's continuous effort to adjust with the current living standard.
- The company is working effectively and consistently by planning with the stated set of objectives that are to be achieved by carrying out plans. The Data presented indicate the company that has corporate and marketing objectives it provide clear guidelines for marketing planning and control system due to this fact the objective of the company is consistent with the organization's Position, capabilities and opportunities of the company regarding the objectives for each business unit it is clearly defined or stated.
- the company's short run and long run term plan is implemented by the organization employee collaboration each and every members as well as organization resource.
- Majority of the respondents 67% of them didn't agree with the company provision of incentives or bonuses.



- Majority of the respondents 80% of them didn't agree the training provision capacity of the company for the employees and 47% of them also didn't agree the effectiveness of the company training on the improving ability of the employees' performance.
- Majority of the respondent 67% of them didn't agree on the company's effective service delivery with respect and satisfying customers and on the communication among and within department is conducive to facilitate tasks
- Majority of the respondent 93% of them didn't agree with the company's encouragement to participate on delivering an improve it quality customer service and 53% of them didn't agree on the company marketing plan efficient and effectiveness.
- Majority of the respondent 80% of them replied that the company didn't have its own budget for promotional activities and didn't have a clearly defined strategy to target or attract customers?
- It is the profitability of the company's different product, market territory and channel of distribution should the company enter, expand, contact or withdraw from any business segments. From our respondent point of view sunshine real estate developer has highest market share. The company is profitable due to the growing demand of the customer and market.
- Any marketing activity seems to have excessive costs this leads to as cost reducing steps be taken. The company is incurring high costs on improving of raw materials and the company has to have its own backward and for ward integration of its suppliers.
- From data presentation the company is well known in its quality products as compared to competitors. The company should work more to produce maximum quality product (houses) that is globally standardize. Price is the amount of money charges for a product (service) from many of the respondent (customer) complain about the prices of the houses. This implies that sunshine price is expansive. Distribution is a transferring product or service to the end users or consumer.
- The company must focus on distribution objective and strategies in order the company to deliver its product (houses) at the appropriate location (site).

## 4.2 Conclusions

- From the above discussed analysis we can conclude that Sunshine Real Estate developers are in excellent position in providing quality houses for its customers, long term experience in construction of building, road and real estate. These all results from the company's good planning and control system of its marketing activity.
- The rising demand in the capital for residential accommodation has triggered the desire to enter in to real estate development. The audit result shows that the company's sales person and other supporting staff have a good technical knowledge in terms of addressing customer expectation and satisfaction. The price of the company houses is very expensive, it doesn't consider the ability and capability of customer rather they target foreigners and Diaspora.
- One of the sectors being under taken by the private sector is residential real estate development. Residential real estate development as business can exist as long as it is making profit. So it is up to companies to design an appropriate means and strategies to exploit the opportunity. Sun shine real state have developed its strategies and trying to make use of this opportunity. As indicated on the research it is doing a good job in delivering its service to its customers.
- Concerning the independence of auditors in performing their task, although the company claims that it keeps auditors independence at hand, the results of this research show the opposite there is a considerable degree of doubt conserving the auditor's independence.
- The attractive growing of demand attracts a no of new entrants (compotators) to the business. The competition in this newly booming sector is getting stiffer in recent days in particular.
- Suppliers are a form of an important link in a companies over all customer value delivery system they provide the needed inputs for the company in enabling it to provide quality and timely service due to this fact sunshine construction Plc is forced to produces some of its inputs material (backward integration) because the companies few no of supplier have a problem of time delivery.

### 4.3 Recommendation

- The company should performing a spectacular Job in the market. However the company has to keep an eye on the ever-changing realities of the day and make strategic and organizational adjustments that better promote its interests and customers.
- It has favorable public image and reputation and completing projects on time. To keep this reputation the company has to make effective competitive analysis by revising its polices, strategies good financial planning and so on must be aligned together with R/D , MIS in order the company to stand in a leading position .
- Greater weight should be given and resources focused more on the construction activities as there is a promising and growing market and profitability in the sector.
- Moreover, the company has to revise on its pricing strategy by taking in to account the current inflation rate of the economy and make it somehow affordable to the client by taking in to account the client ability and capability to have more market share in the country.
- The company has to design a system so that it can evaluate its marketing audit practice. A system that can allow each marketing activity is planned, executed follow up systematically and the overall effect and in some cases the individual effect on the marketing effort should be measured.

In conducting, the market audit, there has to be some degree of independence. So to insure the independence of the marketing audit a separate entity ora unit that is in no way will be compromised by the actual performers of the tasks is mandatory.

- The housing issue is related with almost all types to urban development process and components. Residential real estate development has consumed more land the immediate victim is the housing component study of the structure plan of Addis Ababa .Therefore it is recommended to make a review on the housing component study in particular and all the components of the structural plan in general.
- The company should acquire a research and development and marketing information system as a department which helps the company to meet the demand to be profitable

internal and external factors (environmental factors) should be analysed in order to make any decision in the company. This will put the company in a leading position.

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# APPENDICES

**St. Mary's University College**

**Faculty of Business**

**Department of Marketing Management**

Questionnaire on marketing audit practice on Sunshine construction PLC introduction.

The purpose of this questioner is to gather information about the marketing audit practice activities and experience about Sunshine Construction PLC. The study is conducted in a partial fulfillment of a degree program in marketing management at St. Mary's University. It is also intended to help the company critically examine its marketing practices, evaluate its performances and indicated defaults and suggest corrective measure so as to provide better service to satisfy its customers. The responses given in this question are kept confidential and used only for academic purposes.

Thank you in advance

General Direction

No need of writing your name

**Part 1. Demography**

Please Put (√) mark for your response in the space provided

1. Age

18-25

26-35

36-45

above 45

2. Sex

Male

Female

3. Position \_\_\_\_\_

4. Work experience

Below 5 years

5-1 years

Above 20 years

10-20 years

5. Academic Status

- High School graduates                       Diploma    other certificates  
 Masters Degree and above                       Degree

**Part 2. General Questions about the company**

1. I believe that the company's mission, vision and objectives are clear to understand and adopt.

- Strongly agree                       Agree                       do not know  
 Disagree                       strongly disagree

2. I believe that the company's organizational structure is put clearly and understandably

- Strongly agree                       Agree                       do not know  
 Disagree                       strongly disagree

3. I believe the organization provides equal opportunity for employees

- Strongly agree                       Agree                       do not know  
 Disagree                       strongly disagree

4. I believe job there is important to improve the skills of employees capabilities to perform duties and responsibilities

- Strongly agree                       Agree                       do not know  
 Disagree                       strongly disagree

5. I believe employees in the organization are placed based on qualification

- Strongly agree                       Agree                       do not know  
 Disagree                       strongly disagree

6. The company provides appropriate incentives and bonuses

- Strongly agree                       Agree                       do not know  
 Disagree                       strongly disagree



7. The company make a continuous effort to adjust the benefit to its employees to the current living standards

- Strongly agree                       Agree                       do not know  
 Disagree                       strongly disagree

**Part 3. Questionnaire Directly Related with The study**

1. Is there adequate staff for the marketing audit activity?

- Yes                       No                       I don't know

2. Does Marketing audit have contributions in improving the company's practices?

- Yes                       No                       I don't know

3. If your answer to question 2 is yes, please explain?

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4 .Are the marketing auditors of the company professionally independent?

- Yes                       No

5. Does the effect of the marketing auditing practices play a role in the planning and controlling system of the company?

- Yes                       No                       I don't know

6. If your answer to question No. 4 is No, please explain?

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7. Is there a limitation to the role of the marketing auditor?

- Yes                       No

8. If your answer to question 6 is yes. In what way is it limited ?

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9. The marketing audit practice play a part in strengthening the information control system

- Agree       Disagree      rongly agree      strqgly disagree

10. Marketing audit practice provides assurance for an achievement of the company's objectives?

Agree       Disagree       strongly agree       strongly disagree

11. The interdepartmental communication within the company is

Effective       Ineffective       do not know  
 Highly effective       highly ineffective

12. I believe the company improves its quality continuously

Yes       No       I don't know

13. I believe the company's effort in satisfying customer need is

Very good       Good       Bad       I don't know

14. The communication between the marketing department and others vertically and horizontally is

Flexible       Highly Flexible  
 Rigid       highly rigid       I don't know

15. What keeps you motivated in working in sunshine PLC

Good Salary       Non salary incentives  
 Working environment      other, please specify \_\_\_\_\_

16. The objective of the company is consistent with the organization mission, capabilities and opportunities

Strongly agree       Agree       Disagree  
 Strongly disagree       I don't know

17. Is there integration of information technology in the marketing audit practice of the company?

Yes       No       I don't know

18. If your answer is yes to question 17 does this integration help in the effectiveness of the marketing audit practice?

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19. The Company's marketing audit practices is effective

Agree       disagree       Neutral  
 Strongly agree       Strongly Disagree       don't know

20. If agreed please explain how effective it is

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**Part 4. To be filled by Marketing manager, sales manager and supervisors.**

**Agree (1), Strongly agree (2), Disagree , (3) strangely disagree (4), Don't know(5)**

<b>On mission statement</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1.	Dose sunshine real estate has clearly stated mission statement?					
2.	Is the company's mission statement realistic and understandable?					
3.	Is it consistent and compatible with the corporate and marketing objectives?					
<b>On objectives</b>						
1	Do the corporate and marketing objectives provide clear guide lines for marketing planning and control?					
2	Are the objectives consistent with organization position, capabilities & opportunities?					
3	Are the objectives for each business unit clearly stated and consistent with the overall marketing objectives?					
<b>On marketing strategy</b>						
1	Is clearly and appropriately stated					
2	Is the strategy convincing and properly communicated?					
3	Is the basis for market segmentation?					

4	Is there scope for developing and improving op or methods of segmentation?					
5	Is there scope for reallocation of resources to achieve a greater degree of cost effectiveness?					
6	Are there sufficient controls built in to the strategy?					
7	Does sunshine real estate development business have separate and distinct marketing plan?					
8	Does it frequently revise its marketing plan?					
<b>On personal department</b>						
1	Is the marketing department properly staffed with qualified personal					
2	Is there proper orientation and training program for new employees of marketing department?					
<b>On control</b>						
1	Is the performance of marketing regularly reviewed					
2	Frequently marketing costs examined and validated					
3	Behaviors are modified in light of feedback from the control system					
4	Do the control procedures provide the strategies with a sufficiently clear and accurate picture?					

## **Interview Questions**

1. What is the effects of the marketing audit in the planning and controlling system?
2. What type of marketing audit apply in the company?
3. What are the main duties and responsibilities of the marketing audit?
4. How does the marketing audit staff investigation takes place?
5. How is the relationship states of the marketing audit and inspection process with other department?



## **DECLARATION**

I, the undersigned, declare that this senior research is my original work, prepared under the guidance of my advisor AtoTadesse. All source of material used for the manuscript have been duly acknowledge.

Name Haben T/Michea

Signature: \_\_\_\_\_

Place of submission: St. Mary's University College

The paper has been submitted for examination with my approval as the university college advisor.

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

