Enterprise Communication Policy Indicators Analysis as a Part of Marketing Audit

1. Introduction

Under market conditions, the production activity of enterprises is one of the most important factors for the sustainable growth and dynamic development of the Ukrainian economy. Marketing audit in this case helps to optimize the financial and labor resources of the enterprise. And, as it is known, marketing communications affect sales, competitiveness, the image of the entire enterprise [1, 2]. Evaluation of the effectiveness of communication policy is important for each enterprise, as it allows to identify weaknesses in the process of marketing communications and find ways to improve the effectiveness of communication policy, which was confirmed by prominent scientists in the works [3, 4]. At the same time, taking into account the numerous scientific developments on marketing audit [5, 6], certain problems have not been adequately addressed and require further research. In particular, one should understand that a complex and systematic evaluation of the effectiveness of the entire complex of marketing communications, and not of its individual parts, is necessary. The significance of the problem under study, the lack of system development to address it, determined the relevance of this study. Thus, the object of research is the process of marketing audit of the communication policy of the enterprise. And the aim of research is the development of organizational and methodological provisions and practical recommendations on the evaluation of economic results in the framework of the audit of the enterprise communication policy.

2. Methods of research

When writing the work such general scientific and special methods and techniques of research were use:
– theoretical generalization, analysis and synthesis – for the study of the categorical basis of marketing audit and communication policy;
– systemic and integrated approach – for the formation of marketing and communication audit;
– mathematical – to calculate the economic efficiency of communicative indicators of the enterprise.

3. Research results and discussion

For the first time, a marketing audit was conducted in the USA in the early 1950s by BoorAllen&Hamilton. At the same time, the American Management Association has released a number of marketing audit articles. In the
1960s, consulting enterprises began offering marketing audit services. As for the first scientific definition of a marketing audit, it was proposed in 1967 «A marketing audit is a systematic, independent and regular study of the environment, goals, strategies and activities of an enterprise in order to identify problems and opportunities, as well as to develop proposals for drawing up an action plan aimed at increasing the efficiency of the enterprise’s marketing» [7]. But it was not until the early 1970s that a marketing audit was used to rethink priorities in the marketing activities of an enterprise.

Many authors still offer their own interpretation of the marketing audit procedure. But it can be argued that a consensus on this issue has not yet been adopted. Each author offers its own methods and tools, which in most cases can be applied to a specific case. This can be observed in Table 1.

<table>
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<th>Source</th>
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| [1]    | It has been proven that a list of diagnostic questions should be used to collect marketing information. 28 checklists have been proposed that provide a comprehensive review of all key marketing audit issues. These include:  
- strategy and planning;
- service and product range;
- the size of the market, its structure and future;
- sales staff and management;
- the process of the purchase;
- competitive atmosphere;
- distribution and packaging;
- pricing;
- quality in marketing |
| [2]    | It is proposed to «find answers to a series of open questions about the marketing environment, strategy and operational activities of the enterprise» |
| [3]    | Use a checklist to prevent the loss of important information contained in each question |
| [4]    | Audit is the first attempt to evaluate the effectiveness of marketing |
| [5]    | «Marketing audit is recommended to be carried out at various stages with the help of separate elements of the control analytical system». It includes: situational analysis, marketing control, marketing audit, marketing audit |

So, from the data in the Table 1 it is possible to conclude that marketing audit is an informational tool for marketing planning, but at the same time this process can be considered marketing research and marketing consulting.

Depending on the direction of the marketing audit, there are:
1) marketing research;
2) market segmentation;
3) marketing strategies;
4) product policy;
5) pricing policy;
6) sales policy;
7) communication policy;
8) marketing control.

Of course, all the areas considered are very important for the commercial development of a enterprise, but for a more detailed consideration we'll dwell on the audit of the enterprise’s marketing communications.

«The marketing communication policy is a set of measures that an enterprise uses to inform, remind or shape the consumer’s views on the product and image of the enterprise» [6]. The main purpose of enterprise communications is conviction of consumers to use its products. The implementation of the communication policy goal is based on the use of various campaigns by the enterprise. The order of managing different campaigns is the same in many respects, because it implies an audit, on the basis of which the goals of the campaign and its target audience are determined, the planning of campaign activities, their implementation according to the approved schedule, monitoring and evaluation of results [9].

Today it is possible to assume that the audit of the communication policy of an enterprise is one of the important components of a marketing audit, since it is considered as «the analysis and evaluation of the process of developing and implementing a complex of marketing communications» [2]. Marketing communications include the organization of advertising, PR, sales promotion, measures of interaction with a range of target audiences. These audiences include consumers (customers), shareholders, investors, business partners, government, and the public. On this basis, the marketing audit of the communication policy of an enterprise can be considered as a means of identifying communication gaps between an enterprise and target audiences.

Such gaps include [6]:
- between the values and motivations of target audiences in the understanding of the enterprise and real values and motives;
- cognitive dissonance;
- between the established image and evaluation parameters;
- level of customer engagement;
- emotional perception of the goods.

The effectiveness of communication depends on the following constituent elements: sources of advertising information contained in advertising arguments, persuasiveness of arguments, emotional impact of advertising, repetition effect, motivation, level of knowledge, degree of arousal, mood, individual characteristics of the consumer. Therefore, the main direction of the marketing audit of the communication policy of the enterprise is audit of the effectiveness of the use of such funds:
- advertising;
- public relations;
- sales promotion;
- direct marketing;
- participation in exhibitions;
- personal sale;
- sponsorship activities;
- integrated marketing communications.

Assessing the effectiveness of promotional activities it is necessary to distinguish between economic and communication effectiveness.

The economic effectiveness of advertising is an economic result obtained from the use of one or several types of promotion. It is defined as the ratio of the profit received from advertising to the costs of conducting promotional...
activities. But it should be noted that in addition to advertising on the profits of the enterprise has a high impact on the price of the goods, the availability of substitutes, the attractiveness of the location of the outlet, the qualifications of staff and the like. This is a communication component, that is, the degree of influence of one or several types of promotion on the consumer. Therefore, the selection of the net effect of advertising is not an easy task. When calculating the effectiveness of promotional activities should be taken into account and its psychological impact on the person. Despite the close connection of these concepts, the criteria for these types of effectiveness differ.

To calculate the economic efficiency should include the following indicators [2, 6]:

1. Increase in turnover due to measures to promote:

\[
T_o = \frac{T_{ad} \cdot P \cdot T}{100},
\]

where \(T_o\) – turnover under the influence of measures to promote, c. u.; \(T_{ad}\) – average daily turnover before the promotion, c. u./day; \(P\) – percentage increase in turnover from the previous period, %; \(T\) – turnover time in the advertising process, days.

2. Profitability of advertising:

\[
R = \frac{P}{Ca + A} \cdot 100\%,
\]

where \(P\) – profit received from advertising, c. u.; \(Ca\) – advertising costs, c. u.; \(A\) – additional costs for promotion, c. u.

3. The economic effect of promotion:

\[
Ee = \frac{To - Tm}{100 - (Cp + A)}
\]

where \(T_o\) – trade margin, c. u.; \(Cp\) – cost of the event to promote, c. u.

When conducting a marketing audit, it is necessary to determine the communicative effect of advertising, that is, the actual impact of advertising on the level of consumer awareness of the product or of the manufacturing enterprise itself. Even before placing an advertisement, it is necessary to obtain information on whether the consumer likes the product or distinguishes it from other products that are on the market. Only after that it is possible to take measurements of recognition or memorization. Methods for evaluating such activities are surveys, observations and surveys. There are such methods of preliminary evaluation of advertising [2]:

1. Direct evaluation. The auditor presents several alternative advertising options and offers to evaluate them by point system or rank by attractiveness. This assessment allows you to identify how advertising acts on the consumer, the options he considers the most attractive and informational.

2. Portfolio verification. Consumers are shown or given to listen to ads as much time as they want. Then they are asked to remember what they have seen or heard. The level of memorization indicates the ability of advertising to remain in the memory of consumers.

3. Laboratory studies. The study is carried out with the help of technical means, such as a galvanometer, tachistoscope, an end-to-end camera, an optical scanner. With this equipment, it is possible to determine the heart rate, pressure, eye movement when viewing ads. This check establishes the strength of a positive or negative consumer response.

4. Method of expert evaluations. Members of expert commissions score the degree of advertising perception.

1. Check for memorization. Auditors interview people after they have watched, heard, or read an advertisement in order to identify the level of memorization. It is known that 10% of what is read is stored in memory, 20% is heard, 30% is seen, 70% is seen and heard at the same time. After 3 hours a person forgets 30% of what she heard and 28% of what she saw, and after three days 90% of the information. A certain level of memorization shows how long an advertisement is contained in a person’s memory.

2. Check for recognition. During the consumer survey, the auditor is trying to determine which element of advertising they have seen before. The results of this test are used to determine the impact of advertising on different market segments, as well as to compare the enterprise’s advertising, being audited with advertising competitors.

With regard to assessing the effectiveness of the enterprise in exhibitions, the audit of this area can be carried out in the following financial areas:

1) rate of return on investment. This is the ratio of the amount of profit at the end of the exhibition to the amount of investment in participation in the exhibition;
2) costs for a stand visitor;
3) costs of effective contact at the exhibition;
4) costs of a new customer from the exhibition.

Getting economic results from participation in the exhibition is stretched in time. Therefore, the debriefing should begin no earlier than 3–6 months after its completion. Evaluation of the benefits of the exhibition should be carried out taking into account pending demand, that is, long-term income, the exhibiting enterprises will be brought by the customers she attracted at the exhibition.

But do not forget about the factors of non-financial benefits that the enterprise received [11]:

1) image strengthening, brand awareness;
2) increase the social importance of the business of the exhibitor;
3) specialists who were found thanks to their participation in the exhibition were actively involved in solving industrial and technological issues;
4) expansion of international business cooperation;
5) carrying out optimization of technological processes, which contributes to improving the competitiveness of products of the exhibiting enterprise;
6) reducing the cost of production and increasing the profitability of production thanks to new, cheaper suppliers of raw materials, contracts with which were concluded at the exhibition.

The results of sponsorship activities in the audit of the communication policy of the enterprise can be carried out in the following areas:

- first, determining the degree of coverage of the event in the media, in turn, leads to the popularization of the enterprise’s products as a result of sponsorship of the incident;
- secondly, the analysis of the frequency of mentioning the name of the enterprise.
Special attention is now auditors in the analysis of marketing and communications policy of the enterprise pay integrated marketing communications. That is, «all means of communication of an enterprise by target audiences that are planned and implemented in coordination to obtain a synergistic effect» are considered [6]. Thus, in the process of marketing audit, it is necessary to determine the effectiveness of the promotion structure, implement a comparative different means of communication policy and choose the best option, taking into account the capabilities of the enterprise.

As part of the marketing audit of the communication policy of enterprises, it is also necessary to conduct a marketing audit of the enterprise site and generally use the Internet as an inexpensive and quick opportunity for delivering an advertising message to a potential consumer. The Internet is a switching environment, which compares favorably with traditional means of marketing communications, such as newspapers, magazines, radio, television, direct mail. It is impossible to overestimate the scope of online advertising. And although the network operates on most of the national and international markets, it can be argued that the advertising appeal clearly focuses on specific target groups of consumers. The audit covers the following questions:

1. analysis of the audit site of the enterprise;
2. analysis of the development strategy of website promotion;
3. evaluation of the competitiveness of the resource;
4. analysis of the quality of site information (copywriting, rewriting);
5. usability testing (usability and site navigation);
6. evaluation of the site design;
7. analysis of the current site in search engines.

According to the results of the audit, a report is drawn up and recommendations are given. The main recommendations that can be observed after the audit of the site of the enterprise include [2, 12]:

1. non-standard product positioning, search engine optimization;
2. creating a group of sites at once for specific segments, events, etc.;
3. acquisition of external links to the site of the enterprise;
4. availability on the site of full information about the enterprise, product catalog, publication of news, offers, new products, special offers, etc.;
5. ensuring the presence of the enterprise both on common thematic portals and in professional communities;
6. use of direct marketing;
7. informing potential customers about the beginning and conditions of lotteries, contests, promotions, special positions;
8. creation of blogs and forums in order to be able to answer questions and comments;
9. use of multimedia;
10. constant increase of content from marketing to informational messages.

4. Conclusions

It is revealed that in modern conditions without an effective marketing and communication policy, no enterprise can succeed in the market. It is shown that in order to identify the reasons for the low efficiency of enterprise communications, it is necessary to evaluate the possible causes that contribute to this. This can be done through the use of marketing audit in the enterprise. The result of the audit is a report and recommendations for improving the communication policy of the enterprise.

The theoretical and methodological principles and conclusions presented in the study together solve an important practical task – the need for an audit to effectively manage the complex of marketing communications in industrial enterprises. Certainly, considering the marketing audit as an informational basis for making strategic, marketing, including communication decisions, further processing and development of its methodological foundations are necessary.

References