

7. Results and Control

7.1 Evaluation process

Evaluation is an important part of marketing: it helps your company eliminate ineffective strategies and develop an overall plan that helps build your business. By scheduling regular evaluations of your marketing plan, you can save wasted money by modifying or eliminating campaigns that are not reaching your target market or garnering the response you need. As you plan, build in mechanisms to monitor the success of each marketing effort to make evaluation cheaper and easier.

A marketing plan is used to reach a target market with a specific message. As time goes by and the marketplace changes, your company's structure and approach must change as well, reflecting the new realities in your area of business. In order to keep your marketing plan effective, you need to evaluate your advertising programs at least once a quarter to keep them up to date.

Product

As you review your marketing plan, you need to evaluate the product or service you are marketing. You must also determine if the features of your product are still relevant to the marketplace. In addition examine sales figures to see if the product is gaining or losing popularity. Finally; project sales over the coming fiscal year to see if the company will be able to see a return on investment from the product sales.

Message

Evaluate whether or not the message in your marketing plan is effective. Study the demographics of the geographical areas where you place your advertising and see if sales are more improved there than in areas where you are not doing a significant amount of marketing.

You may be using the wrong medium for your message. Examine your target audience to see where they find their information. Your initial marketing research may have indicated that the target audience relied primarily on television for their information, but subsequent information may reveal that the Internet is a more effective medium.

Objectives

A marketing plan is measured on how well it reaches its objectives, according to economist Charles R. Hall, writing on the Texas A&M University Department of Horticultural Sciences website. Determine whether or not the plan is staying within its budget, is reaching the target audience and is moving product. Define a comprehensive system that you can use to track the marketing objectives, then evaluate actual performance against those objectives to determine if any changes need to be made.

Networking

Your marketing plan can help create future opportunities for your company by inspiring others to talk about your product, according to marketing expert Stuart Ayling on the Website Marketing Plan website.

One of the ways that a marketing plan helps your company is to motivate retailers and customers to publicly recommend your product. If your marketing is not creating an industry stir, then ask customers and retailers what is missing. Once you have an understanding of why your marketing plan is not causing a network of retailers and customers to speak about your product, you can make changes that will start to spawn word of mouth advertising.

7.2 Methods of control

There is no planning without control. Marketing control is the process of monitoring the proposed plans as they proceed and adjusting where necessary. If an objective states where you want to be and the plan sets out a road map to your destination, then control tells you if you are on the right route or if you have arrived at your destination.

A successful marketing strategy is critical to the overall success of a product or service. However, proper controls must be put in place to measure the strategy's effectiveness and to pinpoint areas where changes may be needed. Control techniques can include performing ongoing research and testing as well as keeping tabs on promotion and pricing. These techniques are:

Research

Marketing research involves the gathering and analyzing data to see if a company's products or services are meeting the needs of the marketplace. For example, the manufacturer of potato chips may conduct research to determine if customers are

satisfied with their products. The company can then look for ways to improve the flavor or packaging to meet consumer needs.

Testing

An important marketing control regarding new products is test marketing. Before spending large amounts of money to produce and market a new product, a company will test the product on a small scale by using focus groups or a limited distribution. This can help the company predict the success or failure of a product, and perhaps avoid making a costly mistake.

Measurable's

Marketing managers use statistics to assess the success of a marketing strategy. In addition to sales volume, they will also look at their market share and compare it the competition. The managers will also determine their return on investment by examining overall sales in relation to the cost of marketing and production.

Pricing Strategy

Pricing may need to be adjusted to meet changes in the market or to maintain profitability. If a company's chief competitor implements a significant price reduction, the company may be forced to do the same to maintain market share. Conversely, if production costs rise, a company may be forced to increase prices to remain profitable.

Promotion Strategy

A company may also need to adjust its promotion or advertising strategy to change consumer perception and increase sales. For example, a company that manufactures a successful product that's known for one specific use may find that sales are being lost to a competing brand. The company can then gear its promotion strategy to introduce additional uses for the product.

Marketing plan control involves setting standards based on the plan, measuring performance against the plan and correcting deviations. For budgeting purposes

and for monitoring the performance of a marketing plan, effective marketing controls are always necessary.

7.3 Types of control

A successful marketing strategy is critical to the overall success of a product or service. However, proper controls must be put in place to measure the strategy's effectiveness and to pinpoint areas where changes may be needed. Control techniques can include performing ongoing research and testing as well as keeping tabs on promotion and pricing.

Marketing controls are used to implement marketing strategies and check whether the objectives of the marketing function are achieved or not. Marketing controls are of four types - strategic control, annual plan control, profitability control, and efficiency and effectiveness controls.

Strategic control helps the organization to evaluate its strategies by focusing on the outcomes of the activities undertaken. It is further divided into four components: premise control, implementation control, strategic surveillance, and special alert control.

Annual plan control involves the use of annual marketing targets as performance standards. Projected values of sales volume, market share, and profits are some of the typical performance standards under this type of control. Two important techniques used for tracking results and comparing them with standards are variance analysis and marketing expenses-to-sales analysis.

Marketing profitability is the profitability achieved through the performance of marketing activities and is calculated based on the investment made in these activities. Some of the techniques used for profitability control are Strategic Profit Model, segment margin report, and activity based costing.

Efficiency control is more of a quantitative control and deals with the efficiency with which the marketing activities are directed toward the achievement of the goals of the marketing function.

Here, the controls mainly focus on the sales volume, the sales generated by each salesperson, number of accounts handled by each salesperson, etc. Effectiveness control, on the other hand, is qualitative in nature and aims at improving the

effectiveness of the marketing activities. The marketing effectiveness of any organization is reflected through its market share, profitability, customer satisfaction, etc. It is not easy to audit, measure, or control. It depends on attributes like customer philosophy, marketing orientation, information about marketing, strategic orientation, and operational efficiency of the organization.