**Question 1: Discuss the value of monitoring market share compared to using absolute measures of performance.**

Monitoring performance is a crucial aspect of any business strategy. When it comes to evaluating business success, two commonly used metrics are market share and absolute measures of performance. In this discussion, we will look at the value of monitoring market share as compared to using absolute measures of performance. While absolute measures provide essential insights into a company's individual performance, market share analysis offers a broader perspective on the company's competitive position within the industry.

Understanding Absolute Measures of Performance

Absolute measures of performance are internal metrics used to assess the performance of business and employees and progress towards its goals. It serves as a model standard and seeks to measure how well an organization is performing and how the employees are faring working towards the goals of the organization. The standards should be specific, meaningful and applicable in measuring the quality, quantity, cost and aptness of the organization. These metrics typically focus on financial indicators such as revenue, profitability, return on investment (ROI), or customer satisfaction ratings. Absolute measures provide a snapshot of a company's individual performance and can help identify areas for improvement within the organization.

Limitations of Absolute Measures

The absolute standard is only in theory and not in the absolute performance of the organization. While absolute measures provide valuable information about a company's internal performance, they lack the comparative aspect necessary for understanding how the company is performing relative to its competitors. It also lacks employee ranking, the lack of ability to compare and contrast all employees and supervisor bias. Without context, absolute measures can be misleading and may not provide a clear understanding of a company's market position. For example, a company may have a high profitability rate, but if its competitors are growing at a faster rate, it could indicate a potential decline in market share.

Importance of Monitoring Market Share

Market share refers to the percentage of total market sales that a company or product holds. Monitoring market share helps evaluate your company’s growth by examining how you progress relative to the overall market growth. Monitoring market share offers several key benefits:

1. Competitive Positioning

Market share analysis allows businesses to assess their position in relation to competitors. It provides insights into how well a company is capturing customer demand, gaining or losing market share, and whether its strategies are effective in attracting customers.

1. Industry Dynamics

Monitoring market share provides a broader understanding of industry dynamics, including the emergence of new competitors, shifts in customer preferences, or changes in market conditions. This knowledge helps companies adapt their strategies to maintain or improve their market position.

1. Benchmarking

Market share analysis enables benchmarking against competitors. By comparing market share data, companies can identify best practices, areas for improvement, and potential gaps in their product or service offerings.

1. Growth Opportunities

Market share analysis can reveal growth opportunities in untapped or underserved segments. By identifying areas with lower market share, companies can develop targeted strategies to capture additional market share and expand their customer base.

Combining Absolute Measures and Market Share

While market share provides valuable insights, it should not be viewed in isolation. Combining market share analysis with absolute measures of performance can offer a comprehensive view of a company's overall success. By considering both metrics together, organizations can understand the relationship between market position and internal performance. For example, a decrease in market share may prompt a closer examination of absolute measures to identify areas where operational improvements are needed.

Monitoring market share and using absolute measures of performance are both essential for evaluating business success. While absolute measures provide insights into internal performance, market share analysis offers a broader perspective on a company's competitive position within the industry. By monitoring market share, organizations can gain a better understanding of their market position, benchmark against competitors, identify growth opportunities, and adapt their strategies accordingly. Specifically, as market share increases a business is likely to have a higher profit margin, a declining purchase to sale ratio, a decline in marketing costs as a percentage of sales, higher quality, and higher priced products. Data indicates that the advantages of a large share are the greatest for businesses selling products that are purchased infrequently by a fragmented customer group. They also analyze the strategic implications of the market share and the absolute measures relationship. They conclude by advising the company to analyze their own position in order to achieve the best balance of costs and benefits of the different strategies. However, it is important to remember that market share analysis should be combined with absolute measures of performance to obtain a comprehensive view of a company's overall success.

**Question 2: Discuss the scope of an organization's marketing audit and the elements of that audit.**

A marketing audit is a comprehensive and systematic assessment of an organization's marketing activities and strategies from top to bottom. Its goal is to assess their current marketing efforts, identify strengths and weaknesses, and develop strategies for improvement. The scope of a marketing audit encompasses various elements that provide a holistic view of the organization's marketing function. In this discussion, we will take a look at the scope of an organization's marketing audit both internally and externally and the key elements involved in conducting such an audit.

Internal Analysis:

The internal analysis focuses on examining the internal marketing environment within the organization. It involves assessing various aspects, including:

1. Marketing Objectives

These are a set of clearly defined, measurable goals established as a part of a marketing plan. Evaluating the clarity, relevance, and alignment of marketing objectives with the overall business goals.

1. Marketing Strategy

This is a plan of action designed to promote and sell a product or service. Assessing the effectiveness of the marketing strategy in reaching the target market, positioning the brand, and creating a competitive advantage.

1. Marketing Mix:

It’s a combination of factors that can be controlled by a company to influence customers to purchase its products. Analyzing the product, price, place, and promotion strategies to determine their coherence and effectiveness in meeting customer needs and achieving marketing objectives.

1. Marketing Organization

This the organizational structure that helps in taking decisions regarding production, packing, price, advertisement, sales promotion, brand and trademark. Evaluating the structure, roles, and responsibilities within the marketing department, as well as the adequacy of marketing resources and capabilities.

External Analysis:

The external analysis focuses on evaluating the external factors and market dynamics that influence the organization's marketing performance. Key elements of the external analysis include:

1. Market Research

It’s a systematic way of gathering, recording, and analysis of qualitative and quantitative data about issues relating to marketing products and services. Assessing the organization's market research efforts, including consumer insights, market trends, competitive intelligence, and customer segmentation.

1. Competitive Analysis

This is a process of identifying competitors in your industry and researching their different marketing strategies. Evaluating the organization's position within the industry, analyzing competitors' strategies, strengths, and weaknesses, and identifying opportunities and threats can help in improving the organization’s marketing performance.

1. Customer Analysis

It is a critical section of a company’s marketing plan, because it identifies target customers, ascertains their needs and how a product satisfies their needs. Understanding the target market, customer preferences, needs, and buying behavior through market segmentation, customer surveys, and feedback analysis.

1. Economic and Industry Analysis

This is examining the conditions in the entire economy and then ascertain the most attractive industry in the light of economic conditions. Examining macroeconomic factors, industry trends, technological advancements, regulatory changes, and any other external factors that may impact the marketing efforts.

Marketing Performance Evaluation:

This element involves measuring and evaluating the organization's marketing performance against set objectives and industry benchmarks. Key areas to consider include:

1. Sales and Revenue Analysis

Assessing sales performance, revenue growth, market share, and profitability to determine the effectiveness of marketing initiatives.

1. Marketing ROI

Evaluating the return on investment for marketing activities, campaigns, and promotional efforts.

1. Customer Satisfaction and Loyalty

Measuring customer satisfaction levels, analyzing customer feedback, and assessing customer loyalty and retention rates.

1. Brand Equity

Evaluating the strength and value of the organization's brand, including brand awareness, perception, and customer loyalty.

Marketing Environment:

This element involves analyzing the broader marketing environment, including social, cultural, technological, legal, and political factors that may impact the organization's marketing activities.

Marketing Communication Audit:

Assessing the organization's marketing communication strategies, including advertising, public relations, digital marketing, social media presence, and customer communication channels.

The scope of an organization's marketing audit is extensive and covers various elements that collectively provide a comprehensive view of the organization's marketing function. From internal analysis to external analysis, evaluating marketing performance, assessing the marketing environment, and conducting a marketing communication audit, these elements help organizations identify areas of improvement, capitalize on opportunities, mitigate risks, and align their marketing strategies with business objectives. By conducting a thorough marketing audit, organizations can enhance their marketing effectiveness, optimize resource allocation, and achieve sustainable growth in a competitive marketplace