

Mission-Objectives Matrix (MOM) as an Innovative Tool of Marketing Audit

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Abstract

The marketing audit is a comprehensive study and a deep analysis of marketing activities of the company, involving almost all external and internal processes which influence an entity. The marketing audit is an important point in planning. "A marketing audit is a comprehensive, systematic, independent, and periodic examination of a company's, or a business unit's marketing environment, objectives, strategies, and activities with a view of determining problem areas and opportunities and recommending an action plan to improve the company's marketing performance" (Kotler, Gregor, & Rogers, 1977, p. 29). Appropriate strategy refers to the division of organization into Strategic Business Units - SBUs, which help to analyze accomplishment of the objectives of the company. In literature company's business portfolio is analyzed by several methods: BCG Matrix, GE Matrix, but to audit interconnections between mission and objectives, it is important to have some universal approaches like above mentioned famous matrices.

As it is well known, mission is the main component of the company and this is the reason why during marketing audit mission statement should be also checked. The main objective of this article is to find an answer to the question how it should be done better. The novelty of this article is that it is possible to suggest a new and innovative Mission-Objectives Matrix (MOM) for the mission statement audit.

Keywords: marketing audit, mission, objective, strategy

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Introduction

Using SWOT, PEST, five forces model and other tools, marketing audit can be divided into the following components: (1) environmental audit dividing into macro environmental and task environmental audits; (2) marketing strategy audit; (3) marketing organization audit; (4) marketing system audit; (5) marketing productivity audit; (6) marketing function audit.

There is no generally accepted practice of conducting a marketing audit (Brownlie, 1996a). Marketing auditors, therefore, need to improvise their own specific method of conducting an audit based on a given situation and a specific task in hand (Brownlie, 1996b). In marketing strategy audit, firstly a mission statement audit of the organization

comes in our mind. "A carefully crafted mission statement that succinctly conveys organizational purpose can provide numerous benefits to an organization, including focus to its marketing effort. It can (1) crystallize management's vision of the organization's long-term direction and character; (2) provide guidance in identifying, pursuing, and evaluating market and product opportunities; and (3) inspire and challenge employees to do those things that are valued by the organization and its customers. It also provides direction for setting business goals or objectives" (Kerin & Peterson, 2007) (Figure 1).

The marketing audit usually should be done in the be-



Figure 1. The components of the Marketing Audit

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Figure 2. Strategy Marketing Audit Questions

Source: author

gining of the next year business planning process. To find conceptual mistakes, failures in the environmental recognition, strategy building, marketing department organization, marketing system effectiveness, marketing productivity and marketing functions, lead all companies to the higher level marketing efficiency.

Mission as the starting point of marketing strategy audit

“Organizations develop mission statements to share with managers, employees and customers. A clear, thoughtful mission statement provides employees with a shared sense of purpose, direction and opportunity” (Kotler, Keller, Brady, Goodman, & Hansen, 2009). “A clear mission statement acts as an “invisible hand” that guides people in the organization. Studies show that firms with well-crafted mission statements have better organizational and financial performances” (Kotler, Armstrong, 2011). Mission statement is believed to be a prerequisite to any formulation of strategy (Thompson & Strickland, 1992). It answers to the question “what business are we in ?” and “what is our business for ?” (Drucker, 1973). “Under the marketing strategy audit, the auditor evaluates marketing performance by evaluating marketing goals and objectives, company mission the move to the strategy of organization” (Aprit, 2011). The strategy audit has the following questions to the mission statement: a) Does the company have a clear mission? b) Are goals matching the mission? c) Is the strategy clear and convincing? d) Is market segmented well? e) Does the company have a clear target? f) Is the positioning planned well? “Even though we frequently talk about mission and vision first, the basic underlying foundation for both are our core values. Core values are the principles and standards at the very center of our character, and from which we will not budge or stray” (Grusenmayer, 2011). By some research studies it is recognized “statistically significant difference between the companies with implicitly or explicitly stated missions and companies without them with regard to only one measure of a company performance” (Dermol, 2012).

Mission’s marketing audit

“At the corporate level, mission duration is order, what distinguishes one organization from other, similar organizations is a statement of its reason to be. Mission Statement expresses the company’s vision, what it wants and where it wants to

go” (Wilson, 2002). “The reality is that most missions have declared a little practical applicability because they lack uniqueness - not much different from one firm to another and contain the same promises that generally do not respect them. In analyzing the implementation and communication of the organization’s mission one should consider the following elements” (Kotler & Keller, 2009):

1. The mission of an organization should be limited to a single term goal which means that the mission should be audited to the limitation of goals which really match to the company’s mission.
2. Mission should emphasize company’s values.
3. The mission statement should define major areas where company operates and has some uniqueness in comparison with any other company.
4. Express the purpose of organizations.
5. Combine customers and subordinates to one big value.
6. Encourage people.
7. Be concise to remember someone (Figure 2).

But during the last period for beginner organizations, mission statement becomes useful for marketing planning, allowing to some organizations to better imagine and plan their resources, skills, competitiveness and abilities. Such practical and planning oriented mission statements may have the following 6 stages:

1. Mission statement must identify who the customer, or prospective customer is, with well-defined profile and his/her geographical location.
2. Mission statement should describe what kind of product and service is done for already above identified customer.
3. Mission statement must describe some technological, technical, human, traditional, experiential uniqueness of the company which makes this product or service for above mentioned customers. The point of differentiation of final products should be well stated here. After stage 3 marketing managers can evaluate and calculate the cost of organization’s start up. Also marketers can assess the degree of the differentiation of the company.
4. Mission statement can involve major slogan encouraging customers and organization’s subordinates.
5. Mission statement has to provide some career path, or step for subordinates, who are employed in the company. It can be human capital development, through trainings, education, events, conferences, benefit package, financial and moral stimulus and motivation.
6. Mission statement should define the philosophy as well, for example green philosophy.

Such formulation of mission statement allows assessing its costs, calculating start up costs and discussing the differentiation. "One problem with Leavitt's advice, though, is that a mission statement focusing only on basic customer needs can be too broad to provide clear guidance and can fail to take into account the firm's specific competencies" (Walker, Boyd, & Larreche, 1992).

Marketing audit of the objectives to the mission

Objectives usually provide the foundations for developing specific corporate and business strategic plans. "They concretize the general sentiments of the mission statement and convert it into guidelines for decision making. Corporate objectives are also used to improve organizational performance and as a standard to measure the performance. For example, one objective of Coca-Cola is to maintain market leadership in the soft drinks industry. This means leading in product design and packaging and capturing the largest market share among its competitors in both domestic and foreign markets. In the mature soft drinks industry, market share have remained fairly stable for years, so even a minor gain in share implies a major challenge for the company" (Shrivastava, 1994). "Like any other component of strategy, an organization's mission should fit its internal characteristics, resources, and competencies and its external opportunities and treats" (Walker, Boyd, & Larreche, 1992). Confucius said "For one who has no objective, nothing is relevant" (Confucius, 1980). "Objectives set out in senior management - are the general objectives specified performance levels which must be attained within a certain period of time, usually these objectives are expressed in monetary terms, such as turnover, value and volume of sales, profit, profit rate, the dividends and share value, efficiency investments, etc" (Radulescu, 2012). The number of objectives and goals are usually limited in mission statement.

"Objectives are normally set within the context of planning process. They are an integral part of strategic planning and the decision-making process of the organization" (Shrivastava, 1994). The whole process what should be done can be described well in the following way: "The auditor should answer the following questions: 1. Is development strategy properly chosen and clearly defined to achieve the set of objectives ? 2. Do chosen strategies correspond to the product life cycle, competitors' strategies, opportunities, and threats in the external environment? 3. Did company use fair market segmentation criteria to choose the most appropriate target segments defining the correct profile? 4. Has company developed effective positioning and an optimum marketing mix for each segment? 5. Were marketing company resources appropriately allocated for each element of the marketing mix? 6. Does company have sufficient resources to achieve marketing set of objectives ?" (Radulescu, 2012).

Method of innovation into mission statement audit

Through literature analyses it is recognizable how it is important to audit mission statement of the company in the beginning stage of marketing audit. It is clear that one universal approach of mission statement audit can make this process easier. Analyzing literature about mission, it seems clear that such mission statement analyzing tool has not been de-

veloped yet. To fill this gap there has been started a marketing research process. In the first stage more than hundred mission statements were gathered, analyzed and fixed. In the second stage, mission statements were analyzed in connection with objectives companies have developed.

The study of mission statements

Some institutions were chosen for the study of their mission statements and objectives, how well are they linked with each other. These organizations are SME, so they follow well all needed research activities. The main employed research instrument was a survey questionnaire including mainly some closed and some open-ended questions to managers of the companies. Another questionnaire was established to analyze fulfillment of some objectives of the companies according to what the customers think about them. There were distributed totally 100 questionnaires, based on sampling criteria. 79 answers were received and analyzed as a representative sample of the companies; high and satisfactory response rate of 79% was recorded.

Results and findings – the Mission Objective Matrix (MOM)

During the last stage of the research in the session of the brainstorming the idea of new type of matrix was developed. The new matrix, Mission-Objectives Matrix was established given the abbreviation of MOM. The audit of Mission and objectives can be done in 2 main stages combined into mission-Objectives Matrix (MOM):

1. The audit of the mission and objectives matching to the mission;
2. The marketing audit of objectives to find their righteous character.

Table 1. Mission-Objectives Matrix (MOM) clearly shows how to check already written mission statement and objectives

Real objectives company working on them effectively	Mission should be changed	Mission-objectives tandem is excellent
Real objectives company working on them not effectively	Mission and objectives should be changed	Mission-Objective tandem is identified but there are problems in whole strategic planning
	Objectives not directly coming out but associated to the mission statement	Objectives directly coming out from the Mission Statement

Source: the MOM is invented by the author

The working process under MOM matrix can be suggested in the following ways:

1. Analyze of the mission statement of the company
2. Logically establish objectives coming from the mission statement.
3. Analyze working objectives which fit organization interests.
4. Compare objectives of the organization to the those objectives which logically come out from the existing mission statement of the organization.
5. Analyze gaps between working objectives and mission objectives.
6. Put them into matrix of MOM and analyze according to its principles.
7. Change the situation to manage full logical relatedness of the objectives and the mission statement of the organization.

Conclusion

It seems that in future the importance and comprehensiveness of marketing audit will grow. The new and innovative tool in the process of marketing audit, Mission-Objectives Matrix (MOM), provided in this article will increase effectiveness of this process and will find the ways for effective marketing audit in organizations. According to the improvement of marketing audit tools and approaches, this process can be well performed by marketing departments or marketing consulting companies. Mission Objectives Matrix (MOM) can be widely used in government or non-government, profit or non-profit organizations and entities. For future development, this matrix approach is decided to be turned into marketing software program, making the process of mission-objectives audit more automatic and easier.

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