

# Market Environment (con'd)

## Exhibit 14 Types of Performance Analyses (after Marketing Plan is Implemented)

### 1. Performance analyses

To track marketing performance, the following analyses are performed and reviewed:

### 2. Sales analysis

Most organizations track their sales results. Tracking the sales variances (i.e., deviation from targeted figure) provides a more immediate picture of sales effort. 'Micro-analysis' can then be done to investigate the underlining reason (individual products, sales territories, customers, etc.) for success or failure to those sales figures.

### 3. Market share analysis

Tracking market share is an important metric. Though absolute sales might grow in an expanding market, a firm's share of the market *can actually decrease* which bodes ill for future sales when the market starts to drop. Where such market share is tracked, there may be a number of aspects which will be followed:

- a. overall market share
- b. segment share - that in the specific, targeted segment
- c. relative share -in relation to the market leaders
- d. annual fluctuation rate of market share

### 4. Expense analysis

The key ratio to watch in this area is usually the 'marketing expense to sales ratio'; although this may be broken down into other elements (advertising to sales, sales administration to sales, etc.).