

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.).