Dynamic discontinuities, an increasing dynamism, turbulences in the marketing environment and its complexity require a high flexibility and the ability to adjust, as well as an effective coordination between various company functions and the marketing. It is therefore obvious that monitoring, control and the evaluation of the marketing performance hold a significant position in the execution of company functions. The control of marketing instruments and operations acts here as an element of company operations, which is based on the evaluation of achieved results and which uses the information and planning system of the company and also relevant data about the company. Within this wide spectrum of functions, tools and tasks, marketing controlling holds a key position. Its specific status lies in the necessity to combine data from the company accounting with data from the marketing information and intelligence systems as well as in the higher need of the management to take qualitative data into account.

The ambition of this article is not to address all aspects of control mechanisms in the system of marketing management. The focus is set mainly on those methods and tools, which are relevant and of complex character, or which create a basis for marketing controlling as a key component in the marketing control system, with a goal to highlight the specific position of marketing controlling within the marketing control system as well as its importance and contributions to the support of the company management and decision making.

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Due diligence

Due diligence (or due care) is an English term, which means an adequate (reasonable, obligatory) care. Due diligence can be characterized in general as a careful review and examination of a company. It is a detailed analysis, which covers usually all areas of functions of a company. An important feature of due diligence is the analysis and review of a company with an emphasis on the past, present and future position on the market.

Due diligence is a method of a company review, which has become a standard in the international business environment. It is being carried out with all large transactions (such as a sale of a company, or change in the owners), as well as within every major decision (for example the selection of a business partner, or a decision according to an acquisition and so on).

The method of due diligence allows to know in detail the strengths and weaknesses of a future partner and to reveal the risks and opportunities of a certain intention. We can distinguish following main areas of research in due diligence:

- legal field,
- economic field,
- personal field,
- technical (production) field,
- marketing (business) field,
- environmental field.

The basis of the assessment of each of the described fields is the already mentioned audit. The audit records the status quo (the lasting conditions) or eventually the past. Due diligence itself works also with the evaluation of the future development of each field and the analysis of all relevant (not only marketing-based) circumstances which could have an impact on the future of the company. However it is also important that each field of due diligence is being assessed by professional specialists/auditors.

Marketing control

The aim of marketing control is to determine the scope of realization of planned marketing activities and to suggest a system of measures to improve the marketing performance in case of any detected deviations from the plan. In regards to marketing control, an object and a subject of marketing control can be distinguished. Subject of marketing control are employees designated for the marketing performance in case of any detected deviations from the plan, i.e. those who execute activities in connection with the creation, planning and the implementation of marketing activities. They have clearly determined and defined managerial functions or formal competences within their output.

The object of control is everything what is related to marketing processes, operations, tools and the work of marketing employees, therefore the whole system of marketing activities in a company.

With reference to the above, basically four types of marketing control can be differed:

1. The control of the one-year plan.
2. The control of profitability.
3. The control of marketing effectiveness.
4. The control of the marketing control.

The control of the one-year plan leads the company to achieve its sales, profits and therefore the
Marketing audit

The marketing audit is an instrument of strategic marketing control. The theory of the marketing audit itself has been developing together with the theory of marketing management and strategic marketing. Its gradual shaping and improving as a tool of strategic marketing control and the highlighting of its ability to bring suggestions and solutions to improve the field of the marketing activity, focused on the goals, the plan, the implementation and organization of marketing with the target to define the realized activities, to evaluate the current activities and to suggest procedures for the future. The famous American author P. Kotler has defined four basic characteristics of the marketing audit and therefore moved its definition to a methodical level with an emphasis on the benefits for the company. We understand under the term marketing audit „a complex, systematic, independent and periodic research of the marketing environment, the goals, the strategy and activities, or a business unit with the aim to determine areas of problems and opportunities and to recommend an action plan with measures to improve the marketing output of the company“. The German author, H. Meffert, mentions that „the subject of a marketing audit is an early detection of problematic fields and an improvement of the overall marketing system“. According to the Czech author J. Lyková „a marketing audit represents a systematic sequence of diagnostic steps which include marketing activities of a company in a wide scale. It is a complex, systematic and an independent research done periodically. After the analysis has been carried out, a plan of measures to improve the marketing of the company follows“. The mentioned author states also what is not considered as a marketing audit. According to her „a marketing audit is not only a simple specialized review of marketing activities without a quantification of the results and the setting of priorities of their solution… It is however under no circumstances possible to reduce the significance and goal of a marketing audit only to a simple performance control of the marketing department, because it is a detailed control of the marketing behavior of the whole organization“. The above mentioned definitions suggest that the marketing audit is an important tool of control and evaluation of the company in relation to its marketing environment, strategy and market. It provides the company with knowledge about its business activities, market trends, the competitors and customers, which creates a basis for setting goals and strategies. The marketing audit has following functions in relation to the marketing management:
1. It represents a basis for the creation of a marketing strategy.
2. It acts as feedback, therefore as a control element of the process related to previous and current activities.

Due to the fact that the marketing audit sets the basic marketing views and approaches, it should become an instrument of intervention and the formulation of changes and innovations in a company. A marketing audit can therefore help companies which have problems. It can simultaneously keep successful companies on a top position and help them to better use the opportunities offered by the market.

10 D. Lesáková, Strategický marketing, Profis, Bratislava 2004, p. 21
Marketing controlling and its place in the marketing control system

Controlling acts as an important tool to improve the quality of the company management and its shift to a qualitatively higher level. The need for controlling has been created by the environment of the company (marketing) as a result of the openness of the company to this environment, its complexity and dynamism and in the interest of their harmonization. The aim of the company management, which meets the conditions of controlling, is to secure a functioning company. Controlling supports the fulfillment of this goal thanks to its functions, systems and tools. One of the main targets of controlling is to allow the company to adjust quickly to an unpredictable development of the environment. The focus lies here on the countermeasures and on their evaluation from the viewpoint of their ability to contribute to the achievements of company goals. The administrators of controlling often act as „navigators”, who do not execute tasks set by the direct linear management, but they mainly create information tools for managerial decisions.

The other aims of controlling are to secure and to maintain the ability of the management to coordinate and to adapt. From a viewpoint of time, the goals of controlling can be divided into short-term, medium-term and long-term goals. In conjunction to this, strategic and tactical-operational controlling must be distinguished, which differ on the basis of time-horizon, specialization and as well on the information they use.

Controlling cannot be confused with control. Controlling and control are focused on the fact that the defined management and performance indicators are kept stable within a planned advance despite the influence of interferences, thanks to continuous corrections. The main differentiation principle is the principle of feedback, which differs controlling from control. Controlling becomes on the level of company management therefore the system of early warning.

Based on the assumption, that the company management improves and increases its quality by the introduction of controlling, it is important to look on the company as a system. The main function of controlling is the coordination of the management system in order to reach unity and integration of fractional management and control systems of internal and external complexity, on the basis of information support.

Marketing controlling has a specific role within the company controlling, which consists of the coordinated providing of information. Marketing controlling is one of the phases of marketing management, which is focused to maintain the set management and performance indicators within a planned advance on basis of early and relevant information and continuous corrections, despite the various influences of the external and internal environment and interferences in marketing.

Marketing controlling coordinates „ex ante” all marketing tasks, which are related to the development and harmonization of the planning and information system, their tools and organization in the company with regards to the set goals and it coordinates „ad hoc” all common marketing tasks and activities. Marketing controlling secures therefore the coordination of marketing tasks with other companywide tasks. Marketing controlling has following importance:

- it secures the collection and the transfer of all marketing information,
- it examines and reviews the basic goals, strategies, methods, tools and employees dedicated to the execution of marketing tasks.

It can be therefore said that controlling represents a concept which offers general help for the management. It complements and integrates the management of a company in conceptual, functional, and institutional as well as in a personal sense. Thanks to the philosophy of controlling and its infrastructure, it is possible to get under control the complicity of the management of a company.

Two basic forms of marketing control can be distinguished in general:

- the strategic marketing controlling,
- the operative marketing controlling.

Even though the strategic and operative marketing controlling are connected and closely related, they use different tools and methods. There is a constant exchange of information between the strategic and operative marketing which is necessary only for the decision making and the management in the field of marketing, but also on a companywide level. The mentioned methods and tools contribute towards the fact that the company management has the necessary information always at disposal.

The strategic marketing controlling is in large scale influenced by factors of the external environment of the company. The strategic tools are being used here mainly to determine and to improve the future possibilities and to diminish the risks. One of these tools is the SWOT analysis which represents a quite simple method to create an overview about the strategic situation of the company.

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The strategic marketing controlling focuses on the monitoring and comparison of the realized results which characterize the marketing performance of the company with standards set in the marketing plans, further on the monitoring of the direction of the strategy and all activities related to its realization, on the discovery of relevant problems of significant importance and on the application of necessary changes and corrections. It can be therefore said, that the basis of strategic marketing controlling is the evaluation of marketing plans/strategies and their efficiency, i.e. if the chosen procedures really represent the best possibilities to reach the set marketing goals.

It is also necessary to point out, that a central task of strategic marketing controlling should be mainly the development of a marketing information system with the aim to create a basis for strategic marketing planning in such way, which would enable to seamlessly implement all tools of planning and control. Its task should be also the coordination of planning in the area of marketing in a manner, which allows to reach consistency between the strategic marketing plan, the partial (executing, yearly) plans, the time-based initiation of partial/yearly plans, the strict and continuous monitoring of the planning procedure and the continuous unity between the terms of particular plans according to the individual divisions of the company.

The next aim of strategic marketing controlling in a company is the collection of information, their review and interpretation for the needs of strategic marketing planning and the realization of special analyses (such as the sector analysis, the analysis of the surroundings, the analysis of competitors, customers and so on), i.e. analyses, which cannot be generated by the marketing information system itself and which require a specific approach and skills.

The function of strategic marketing controlling within a company should not only be to identify a wrong development inside the marketing planning system and in the realization of marketing activities, but also to detect the problems and shortcomings related to the organization of marketing itself within a company. The set marketing goals should be used here as control indicators.

Moreover, there is a need to control the premises, which are formulated by the strategic marketing plan. It is the already mentioned „function of early warning”, which means to — if possible — recognize as soon as possible all significant changes and discontinuities in the conditions of the marketing plan (i.e. situations/events, which have a low probability to happen, however if they occur, they can create significant problems). Nevertheless, a permanent and systematic monitoring of the implementation of the marketing plans is also of importance, which means on the other hand a shift towards the operative marketing controlling. The operative marketing controlling represents a consecutive control\(^\text{15}\). It monitors and reviews the progress in the achieving of goals and the realization of marketing plans in shorter time intervals (from one month to one year). It is usually of periodic character. Its quality depends on the chosen interval of periodicity. It is necessary to point out that a shorter interval is always more suitable to reach better/more precise/more actual results of a review.

Among the methods, techniques and tools used by marketing controlling, we can mention mainly the following: the systematic analysis and verification of the results of a planned and/or already realized price policy and its adjustment to the financial goals of the company and to other indicators which result from the monitoring and analyses of the marketing environment, mainly of the competitors and customers; the evaluation of the communication and sales effect; the analysis of the market share and the analysis of customer attitudes and satisfaction. A suitable method is the comparison of the previous sales with the costs for the communication as well as the examination of the distribution channels and the logistics system. The logistics division should regularly perform checks, if and how are the supplier goals met, with an emphasis on keeping the budget of logistics costs.

### Distribution controlling and its tasks in distribution and marketing management

The considerable complexity of distribution systems and the increasing distribution costs highlight the necessity to apply goal-oriented planning, management, control and coordination of partial section activities of the distribution. These tasks are being accomplished by the distribution controlling which should ensure:

- the permanent control of the distribution system performance,
- the collection, organizing, maintenance and providing of information from the relevant field for the purposes of decision making.

Controlling as one of the many managerial tools has therefore its important place within the process of distribution management. In general, the process of distribution controlling proceeds in

6 controlling steps (compiled according to Schulte 1994)[16]. Relevant tools are at disposal for every step.

**Definition of goals**

The defined goals or standards which are being used for the comparison of the distribution system performance, work as a tool of controlling when they are operative, realistic and possible to quantify. They must be therefore divided according to various viewpoints. The goals or standards are being set as a result of planning, or on basis of gathered information about the competition.

**Determination of facts**

Distribution activities can be seen as a process which performance needs to be monitored. The providing of information according to the performance of distribution activities is a task of measurement. Management has developed numerous methods to obtain information. Ballou[17] points out two forms of managerial collection of information, which are reports and the audit.

**Analysis of divergences**

The managerial control process is not complete until a comparison of the performance with the goals or standards has not been done and until corrective actions have not been taken in the case, that the level of performance is outside of acceptable limits. If the defined limits of tolerance have been exceeded, the divergences between the required and the real values are subject of an analysis. The task here is to find and interpret the causes of the occurred discrepancies. The outcome of the analysis should be the information, which enable to take relevant measures and which create a basis for decision making.

**Planning of measures**

The results of the carefully checked logistic activities do not have to correspond with the target values, because divergences will always exist as a result of the continuously changing environment. Such changes should be expected.

**Setting of new target values**

Ch. Schulte points out that a change of the target requirements is possible only after the measures to improve the situation have been successful. Nevertheless, the results of the realized measures should be the basis for the setting of new planning values. The new requirements should be formulated via clearly declared goals.

**Presentation of the controlling results**

At the end, the results of the controlling are being processed and presented to the distribution management. The report includes the documentation about the extent of reached goals and the suggestions for an eventual change of the goal. Thus, the regulation circle of controlling ends, but it can be repeated in case of need.

**Conclusion**

The decrease in the overall value of revenues from the sales of products belongs without doubt to the most significant negative demonstrations of marketing performance. In such a situation, company managers use to take interest in the causes of the decrease in the marketing performance, whereas they are usually not interested in the reasons in case of a growth. However, it is necessary to point out that even in the case of favourable results in relation to the sales and/or revenues, a hidden decrease in the marketing performance can actually be the case. On the other hand, companies tend to solve the occurred problem on their own, but they often „cure the wrong symptoms”. For example, in the case of a decrease in sales they introduce new products to the market, or they take old products off the market, they reorganize the sales, they decrease the prices or they do many other steps, however many of them are unnecessary or not efficient in this situation. The problem lies here in the lack of knowledge according to the cause and the center of marketing problems in the company.

The marketing control system and its tools represent one of the possibilities, which can be used by companies and their marketing managers to reveal shortcomings and real sources of problems of marketing character as well as their causes. Companies usually do not create adequate marketing control systems despite the necessity to monitor, control and analyze marketing activities and the marketing performance. It is questionable if and to what extent existing company control procedures

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allow to determine, whether and how the goals of the yearly marketing plan are met. It is also important to regularly monitor, analyze and evaluate the profitability of certain markets, territories and products. Nonetheless, it is also important to mention the significance of the control of the marketing costs from the viewpoint of their efficiency and in relation to the possibility to take measures to reduce the costs, in case that they are too high and without any justification.

The marketing audit, even though it has recently found its place also in our conditions, is not so widespread like other audits mentioned above, despite its obvious contribution to the vitality of the company and a good entrepreneurial condition. The restrictions during the realization of the marketing audit are mostly related to a lack of understanding or to the underestimation of marketing, or to a wrong and/or slow approach to its establishment.

Marketing controlling fulfills several functions in the process of marketing management. In this context, the authors point out the different opinions on the functions of marketing controlling and they highlight the necessity to distinguish between the various types of these functions (functions creating systems and internal functions of controlling) and the subject of these functions (the coordination, the providing with information, the planning, the control and the audit). Due to the fact that the marketing audit enables to review the whole marketing system, it acts in this hierarchy as a system of early warning. It also serves to ensure the control function of marketing controlling.

**SUMMARY**

The article deals with the marketing control system from a theoretical and practical viewpoint. It is aimed at chosen tools of the marketing control system and their theoretical aspects as well as practical using in the terms of firms. The authors opinion is that firms usually do not create adequate marketing control systems despite the necessity to monitor, control and analyze marketing activities and the marketing performance. Marketing audit has to be recognized by authors as the key tool of the marketing control system. Due to the fact that the marketing audit enables to review the whole marketing system, it acts in this hierarchy as a system of early warning. It also serves to ensure the control function of marketing controlling. The restrictions during the realization of marketing control system including its key tool the marketing audit are mostly related to a lack of understanding or to the underestimation of marketing, or to a wrong and/or slow approach to its establishment.