



# Marketing

## MKTG 1310

3.1

Environment: Micro



# Agenda

- Company
- Customers
- Partners
- Competitors

# Company

- CEO's position and power
- Other executives on the management team
- Marketing and other departments
- Company mission and objectives
- Company's brands and their strength
- Core capabilities *is innovation of Apple INC*

# Company

Sephora. The beauty brand uses technology to create a personalized experience with a comprehensive app, virtual try-on of makeup products and a strong online community for a seamless customer experience.

FedEx. The shipping company stays on top of new technology to empower its customers and provide quick and reliable deliveries.

Google. Google has the highest ACSI score of software companies, in part because employees understand all of the products and can assist customers wherever needed.

# Customers

- Customer needs are constantly changing (i.e. taste)
- They directly impact an organization's sales, revenue, and overall success.
- Their preferences, demands, and behavior shape the products or services offered, pricing strategies, and marketing efforts of a company.

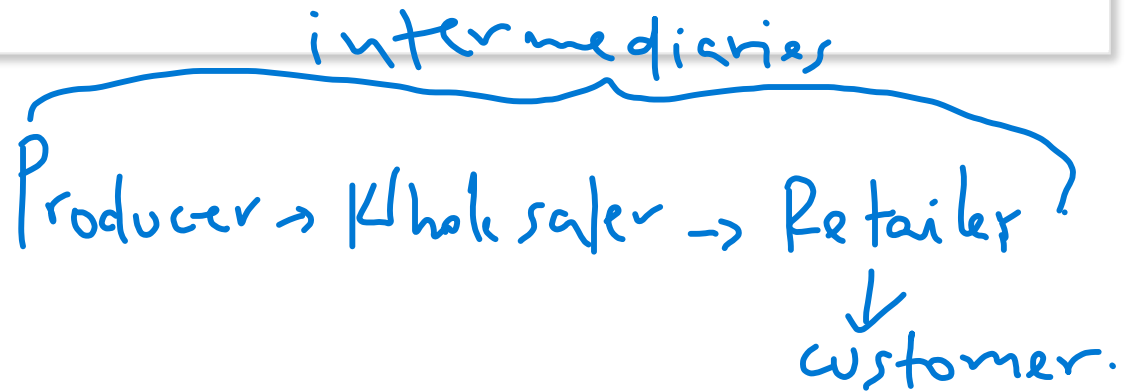
# Customers

Facing this barrage of uncertain and chaotic external forces, people are rethinking who they are and what matters to them. In an Accenture survey of 25,000 global consumers, released in July 2022, 60% of them told us their priorities are changing based on global events. Nearly the same number say they've completely reassessed their life purpose and values in 2022, up from 50% in 2021.

Instead of treating customers merely as “buyers,” businesses need to recognize them as ever-changing multi-dimensional people who play many roles, each providing new opportunities for value creation.

# Partners

- Marketing intermediaries
- Suppliers



# Partners

- Example





# Competitors

- Be proactive instead of reactive
- Know their strengths, weaknesses, opportunities, threats

↓  
Internal  
Positive  
(core competencies)

↓  
Internal  
Negative

↓  
External  
Positive  
(Shared)

↓  
External  
Negative  
(Shared)



# Marketing

## MKTG 1310

3.2

Environment: Macro



# Agenda

- Political
- Economic
- Social
- Technological
- Legal
- Environmental

# Political

- Immigration
- Taxation *eg carbon tax being forwarded from businesses to customers.*
- Wage rates *eg if very low, it could lead to corruption and people rely on other sources of income*
- Government benefits
- Corporate accountability
- Rights of citizens
- Foreign policy

⊗ Companies navigate political risks especially when there is a regime change.

# Political

- Examples

Since Russia's full-scale invasion of Ukraine in February, Canada [imposed](#) a series of targeted sanctions on more than 1,150 individuals and entities complicit in human rights abuses. Canadian sanctions also targeted Russia's [oil, gas and chemical industries](#), [defense sector](#) and officials and entities involved in [disinformation efforts](#). In March, Canada [referred](#) the situation in Ukraine to the International Criminal Court (ICC) in coordination with other ICC states parties.

# Political

- Examples

In March, two private members bills were tabled in the House of Commons aimed at advancing accountability for human rights abuses linked to Canadian companies' operations or supply chains abroad. Bill C-262 would require companies to identify, prevent, and mitigate human rights abuses throughout their global operations and supply chains, including violations to the right to a healthy environment. The bill provides affected communities with a statutory right to bring a civil lawsuit against a company in a Canadian court to seek justice and remedy for causing harm or failing to undertake human rights due diligence. Bill C-263 seeks to establish an Office of the Commissioner for Responsible Business Conduct Abroad, essentially transforming the CORE into a corporate watchdog able to independently investigate allegations of abuse.

# Economic

- Economic system consists of product, distribution and then consumption
- Inflation: *as it increases, prices go up along distribution lines therefore getting more expensive. vice versa.*
- Unemployment
- Interest rates
- Economic growth
- Trade cycles :
- Income

# Economic

- Examples

The current **inflationary trends** are making it more expensive for small businesses to offer their goods and services at competitive prices. That leaves managers and owners with a choice: Eat the extra costs, or increase prices. While eating the additional expenses is never a fun decision, raising prices in some industries may not be an option.

**High unemployment rates dampen the value of consumer businesses.**

If you have a business that caters to consumers, such as a high-end retail store, an increase in the unemployment rate will negatively affect the value of your business, especially if the trend is expected to worsen over time.



# Economic

- Examples

When interest rates rise, businesses often attain slower growth rates due to the difficulty in getting access to lending as well as the higher costs associated with borrowing.

An increase in income (the ability to spend more money) results in a demand for more services and goods. A decrease in income results in the exact opposite. In general, when incomes are lower, less spending occurs, and **businesses are hurt by the effect.**

# Social

- Lifestyles
- Culture barriers and religious beliefs
- Health consciousness
- Environmental consciousness
- Demographics
- Media perceptions
- Emphasis on safety and avoidance of risk

e.g.: Starbucks failed in China and Australia



# Technological

- New products and services
- Newer technology
- Newer communication and channels
- Automation
- Remote working
- Cybersecurity
- Data privacy
- Social media

# Technological

- Examples

## How Small Businesses Use Technology





# Legal

- [Details](#)

# Legal

- Examples

When your business uses recorded music, you are responsible for getting the right licence(s) for that use.

You must be licensed if you provide payday loans or broker services.

If you run a business that collects personal information (e.g. collection agencies, consumer reporting agencies, personal information investigators), you need to be licensed with the Ministry of Public and Business Service Delivery (MPBSD).

# Legal

- Examples

The Competition Act (French: Loi sur la concurrence) is **a Canadian federal law governing competition in Canada**. The Act contains both criminal and civil provisions aimed at preventing anti-competitive practices in the marketplace.

Legislation administered by the Competition Bureau

**Anti-competitive practices in the marketplace:** The Competition Act prevents anti-competitive practices in the marketplace, such as price fixing and misleading advertising, through both criminal and civil provisions.

**Packaging, labelling, sale, importation and advertising of prepackaged products:** The Consumer Packaging and Labelling Act requires that prepackaged consumer products bear accurate and meaningful labelling information to help consumers make informed purchasing decisions.



# Environmental

- Resources
- Recycling
- Alternative energy



# Environmental

- Examples

For example, in February 2020, international oil company BP began a transformative effort to become an “integrated energy company,” rather than just an oil producer. The company set a goal to reach net zero carbon emissions by 2050, and has made [significant process](#), with actionable steps such as creating a network of electric vehicle charging stations and developing offshore wind projects with enough capacity to power five million homes.



# Marketing

## MKTG 1310

4.1

Segmentation

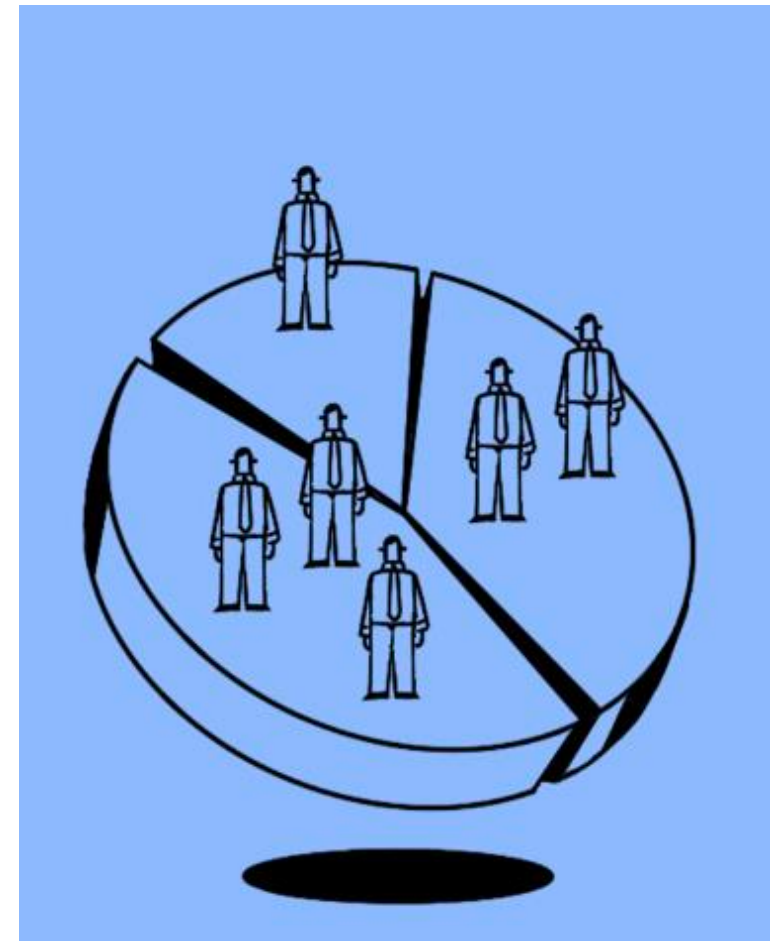


# Agenda

- Segmentation
- Segmentation bases
- Segmentation techniques
- Segment attractiveness

# Segmentation

- It is the process of dividing a broad consumer or business market, normally consisting of existing and potential customers, into sub-groups of consumers (known as segments) based on shared characteristics.



# Segmentation

- Examples



→ By shape  
→ By color  
→ By flavor

# Segmentation

- Examples



→ By height  
→ By age  
→ By skin color  
→ By gender

# Segmentation

- Some approaches
  - 0 segments | Undifferentiated strategy
  - 1 segment | Focus strategy
  - 2+ segments | Differentiated strategy
  - Thousands | Hypersegmentation or one-to-one strategy *eg anything custom made like wedding dress, etc*
- Some criticisms
  - Fails to identify sufficiently narrow clusters
  - Geographic/demographic segmentation is overly descriptive and lacks sufficient insights
  - Difficulties with market dynamics *i.e markets change*
  - Consumers do not self-identify with them



# Segmentation bases

- ***Geographic***

- City
- County
- Province
- Postal code
- Country
- Continent



# Segmentation bases

- Geographic
- **Demographic**
  - Age
  - Gender
  - Occupation *eg: utilities used at work-like Labcoats, Power tools, etc*
  - Income
  - Education
  - Family
  - Lifestyle

# Segmentation bases

- Geographic
- Demographic
- ***Psychographics***
  - Activity Interest Opinion AIO
  - Concerns
  - Values
  - Personality - extroverts, introverts.
  - Attitudes

# Segmentation bases

- Geographic
- Demographic
- Psychographics
- **Behavioral**
  - Benefits
  - Purchase and usage – How often do you use the product.
  - Intent and occasion
  - Engagement

# Segmentation techniques

- ***Cluster analysis***

Cluster analysis or clustering is the task of grouping a set of objects in such a way that objects in the same group (called a cluster) are more similar (in some specific sense defined by the analyst) to each other than to those in other groups (clusters).

# Segmentation techniques

- ***Cluster analysis***



# Segmentation techniques

- ***Cluster analysis***



# Segmentation techniques

- Cluster analysis
- ***Conjoint analysis***

Technique used in market research that helps determine how people value different attributes (feature, function, benefits) that make up an individual product or service.




## Steps:

1. Determine type of study: ranking, rating, choice
2. Identify attributes
3. Specify their levels
4. Design questionnaire

eg  
① Rating  
② Ranking  
③ Choice Based

# Segmentation techniques

- Cluster analysis
- ***Conjoint analysis***

Brand	 <b>Olympus</b>	 <b>Sony</b>	 <b>Panasonic</b>
Resolution	18 MP	8 MP	3 MP
Optical zoom	6x	8x	6x
Battery life	200-300 photos	300-400 photos	>400 photos
Image stabilizer	Yes	No	No
Price	€ 179	€ 199	€ 349
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# Segmentation techniques

- Cluster analysis
- Conjoint analysis
- ***Logistic regression***

→ Dependent variables : Pass (1), Fail (0)

→ Independent variables: attendance, quiz scores, exam scores, assignment scores, attitude, effort, willingness to learn, motivation.

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(1) : Becoming a customer.

(0) : Not becoming a customer

# Segment attractiveness

The segment is attractive if it satisfies all of the following questions:-

- Is the segment identifiable?
- Is the segment substantial?
- Is the segment reachable? (consumer must: know that the product/service exists | understand what it can do | recognize how to buy it)
- Is the segment responsive?
- Is the segment profitable? (consider: future market growth | market competitiveness | market access costs)



# Marketing

## MKTG 1310

4.2

### Targeting and Positioning



# Agenda

- Targeting
- Positioning

# Targeting



eg: butter (food)

eg: airlines  
seats i.e.  
Business class,  
economy  
→ Gas i.e. regular,  
premium

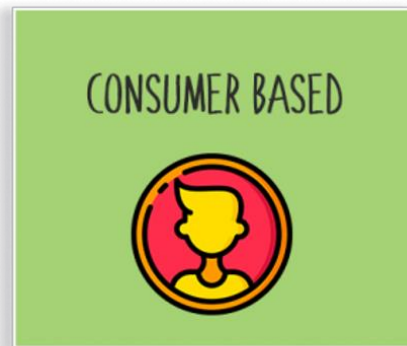
eg: kids products

## Targeting



# Positioning

- Place that a brand occupies in the minds of the customers and how it is distinguished from the products of the competitors.





# Positioning



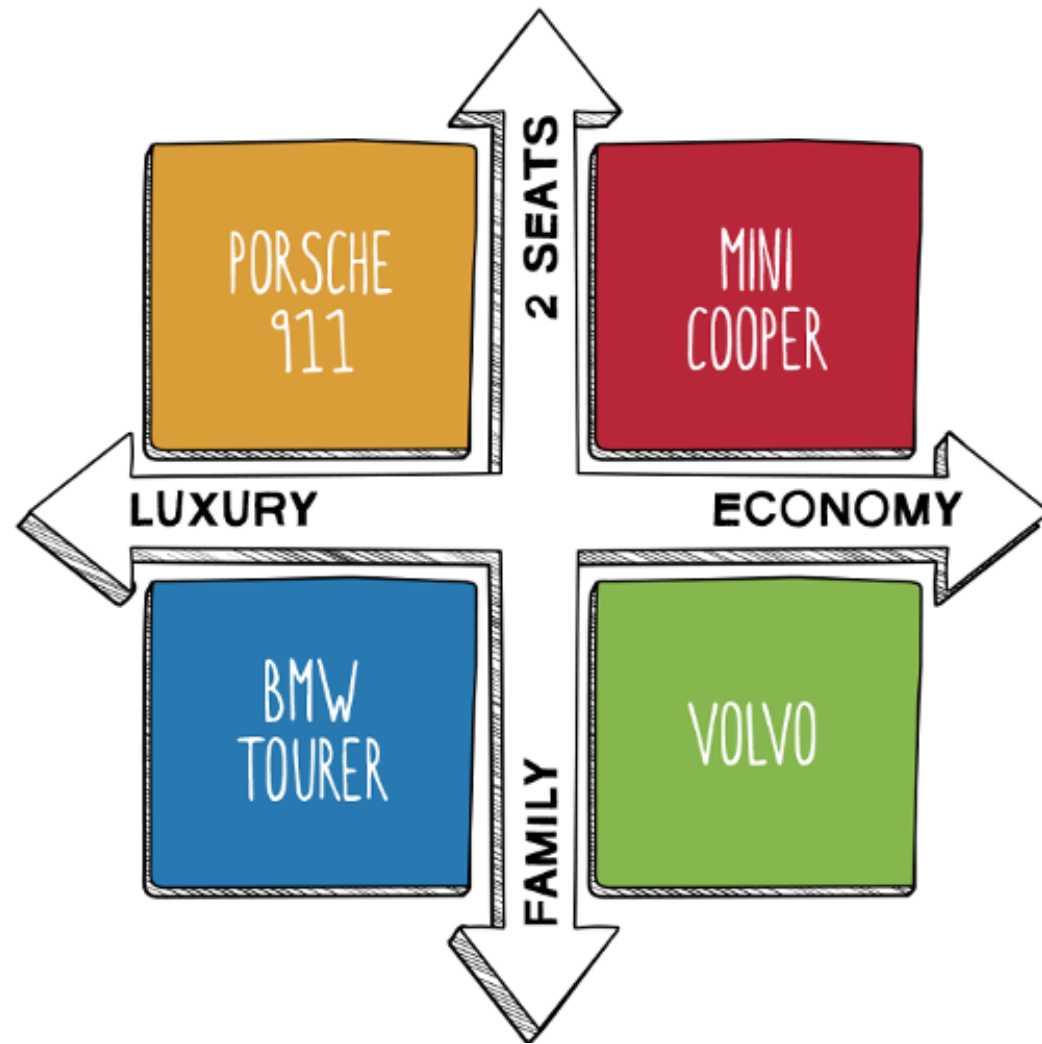


# Positioning

- A perceptual map is a diagram used for visualizing consumer perception of different brands or products. A standard perceptual positioning map is presented on a two-axis scatter chart, where each axis represents a relevant industry attribute.

# Positioning

- Perceptual map



# Positioning

- Perceptual map



# Positioning

- Perceptual map process:
  - Number of dimensions 2 to 4
  - Their names
  - Needs making up the dimensions
  - Where competition is positioned
  - Where there are gaps