



Marketing Environment and Evaluation of Market Opportunities

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Course Outcomes and topic objectives

CO 1- Recall various important concepts of marketing management.

CO2 - Understand the frameworks, processes and models of marketing management.

CO4 - Analyse the marketing environment and decisions in different business scenarios.

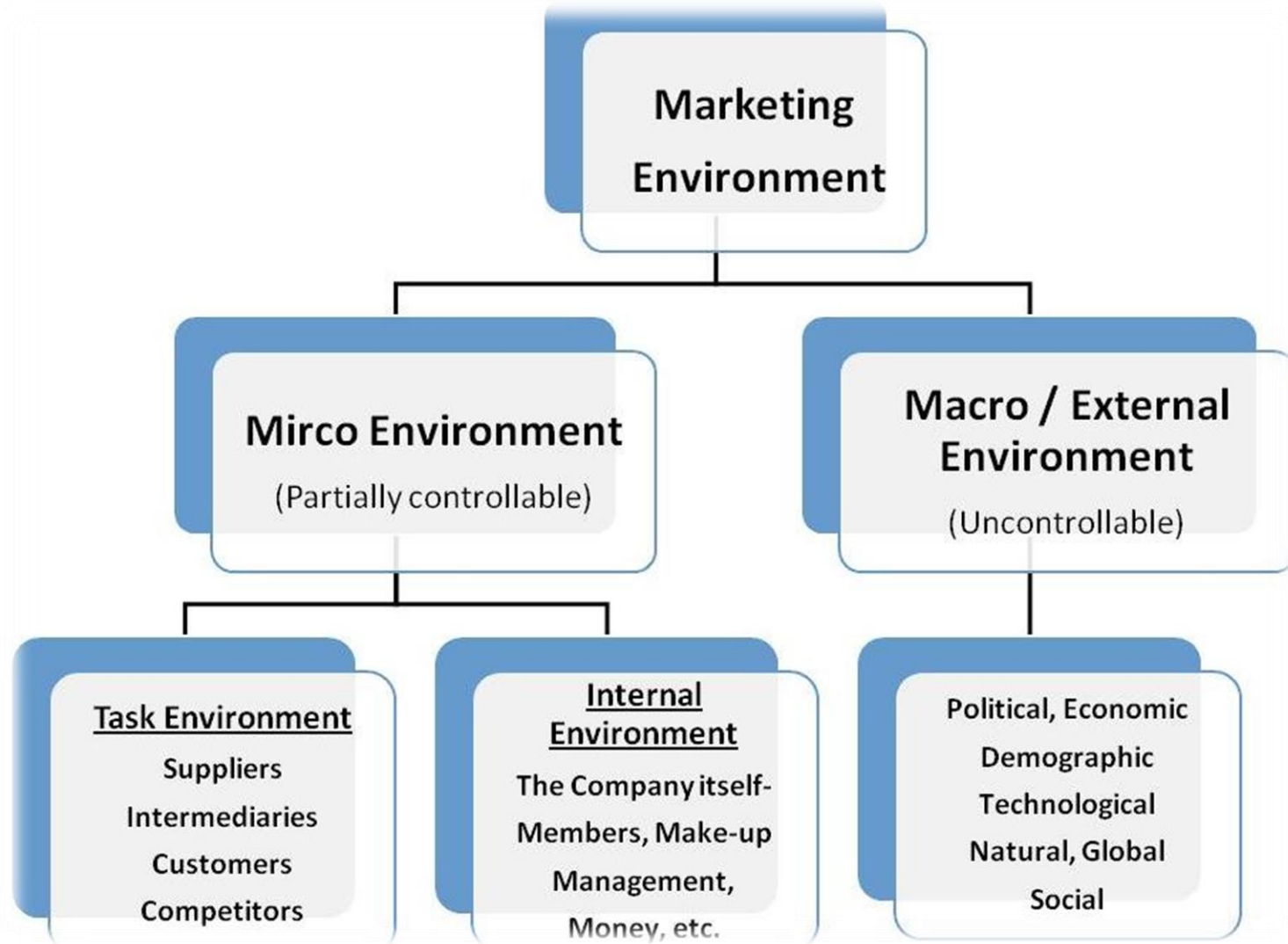
OBJECTIVES

- Know the environmental forces that affect the company's ability to serve its customers.
- Realize how changes in the demographic and economic environments affect marketing decisions.
- Identify the major trends in the firm's natural and technological environments.
- Know the key changes in the political & cultural environments.
- Understand how companies can react to the marketing environment.

Marketing Environment

- **Marketing Environment**
 - The actors and forces that affect a firm's ability to build and maintain successful relationships with customers.
- Aspects of the marketing environment:
 - **Microenvironment:**
 - Actors close to the company
 - **Macroenvironment:**
 - Larger societal forces

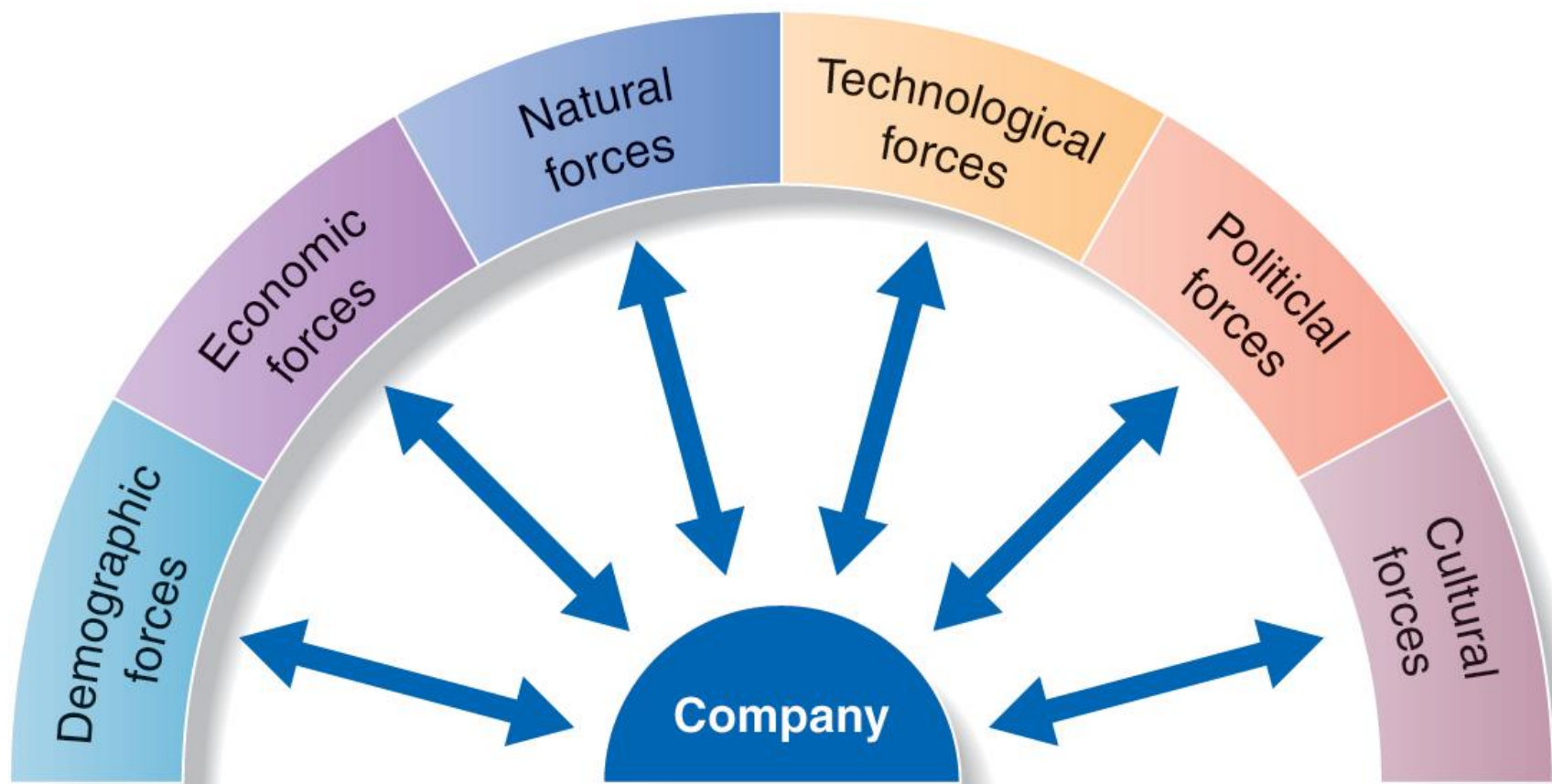
Components of Marketing Environment



Actors in Microenvironment



Macroenvironmental forces



Microenvironment – The company

- **Departments within the company** impact marketing planning.
 - Operations for cost
 - HR for sales team compensation
 - Finance for budgets



Microenvironment – suppliers and intermediaries

- **Suppliers** help to create and deliver customer value.
 - Treat suppliers as partners.
- **Marketing intermediaries** help to sell, promote, and distribute goods.
 - Intermediaries take many forms.
 - Resellers
 - Physical distribution firms
 - Marketing services agencies
 - Financial intermediaries



Microenvironment –intermediaries

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Microenvironment – Customer markets

- **Customer markets** must be studied.
- Market types
 - Consumer
 - Business
 - Government
 - Reseller
 - International



Microenvironment – Publics

- ❖ **Various publics must also be considered.**
 - Government
 - Media
 - Financial
 - Local
 - General
 - Internal
 - **Citizen Action Groups**

Macroenvironment - Demographic Trends

- Key Demographic Trends

- Changing National household
- Geographic population shifts
- Better-educated, more white-collar workforce
- Increasing Diversity

- World population growth

- Now 6.2 billion
- Projected to reach 7.9 billion by 2025



Macroenvironment – Economic trends

- The Economic Environment
 - Affects consumer purchasing power and spending patterns.
 - Consumers now spend carefully and desire greater value.
- Key Economic Trends
 - Indian income distribution is skewed.
 - Upper class, middle class, working class, underclass
 - **Rich:** getting richer
 - **Middle class:** shrinking
 - **Underclass:** still poor
 - Consumer spending patterns are changing.

Macroenvironment: Natural Environment

- Concern for the natural environment has grown steadily, increasing the importance of these trends:
 - Shortage of raw materials
 - Increased pollution
 - Increased governmental intervention
- Automotive Sector: MG ZS EV launched in India
<https://www.youtube.com/watch?v=w-xwfVJkMkU>





Macroenvironment: Technological Trends

- Rapid change
- Create new opportunities and markets but make old technologies obsolete.
- Eg. Jio Glasses

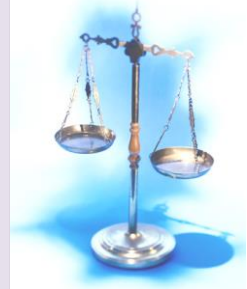
<https://www.youtube.com/watch?v=dv1Pomt9tBM>



Macroenvironment - Political Environment

The Political Environment

- Includes laws, governmental agencies, and pressure groups that impact organizations and individuals.
- Key trends include:
 - Increased legislation to protect businesses as well as consumers.
 - Changes in governmental agency enforcement.
 - Increased emphasis on ethical behavior and social responsibility.



The Cultural Environment

- The Cultural Environment is composed of institutions and other forces that affect a society's basic values, perceptions, preferences, and behaviors.
- Core beliefs are persistent
 - Passed from parents to children; reinforced by society
 - Shape attitudes and behavior
- Secondary cultural values change and shift more easily
- Society's cultural values are expressed through people's views of:
 - Themselves
 - Others
 - Organizations
 - Society
 - Nature
 - The Universe

Organisation's Response to the Marketing Environment

- *Reactive:*
Passive Acceptance and Adaptation
 - Companies design strategies that **avoid threats** and **capitalize upon opportunities**.
- *Proactive:*
Environmental Management
 - **Use of PR, advertorials, lawsuits, complaints, and contractual agreements to influence environmental forces.**

Case Study

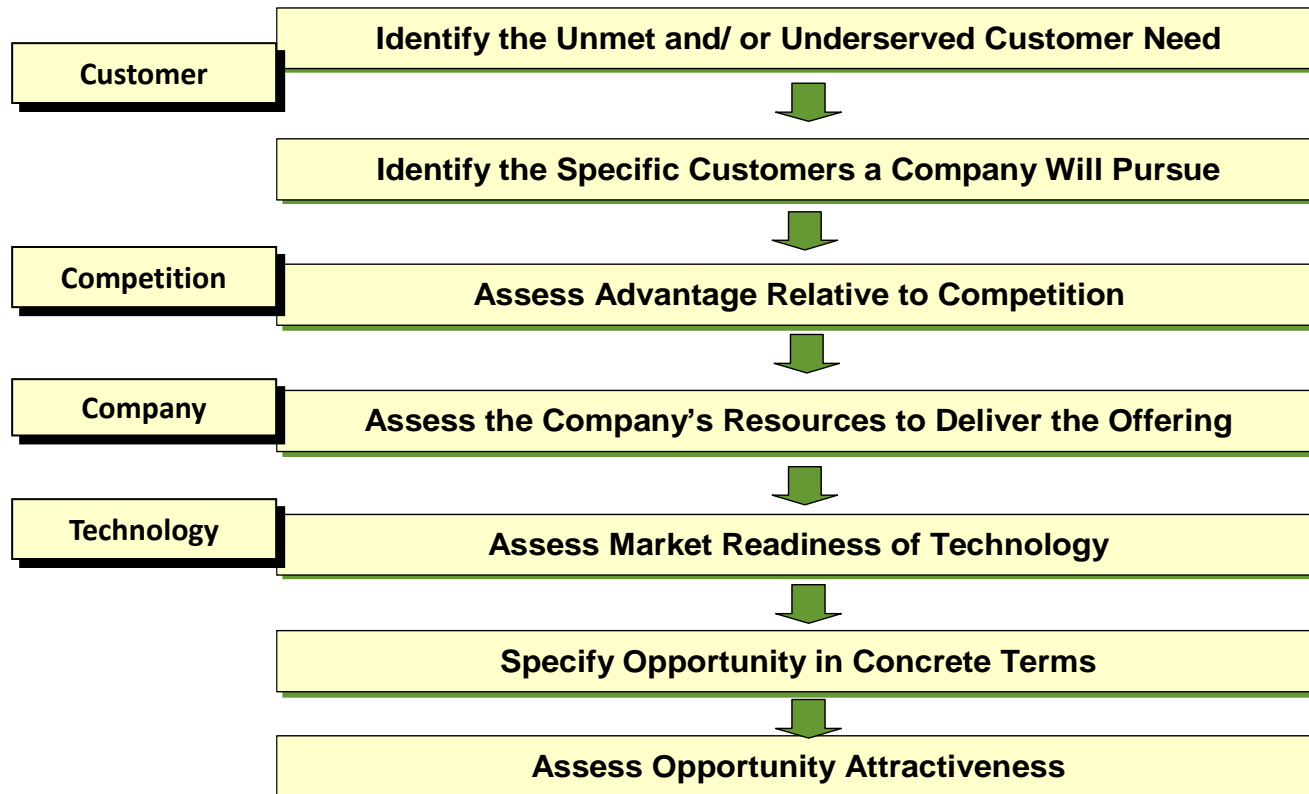
- **GM and TOYOTA fails to take up cues from environment and pay the price (shared already)**

Case Questions

(prepare discussion points in groups of 4):

- **Which market environmental factors are referred in the case and why?**
- **Analyse the current scenario of market factors for automobile industry players?**

Market opportunity analysis



Market Opportunity – MI Air Purifiers Launch – Video Case

