

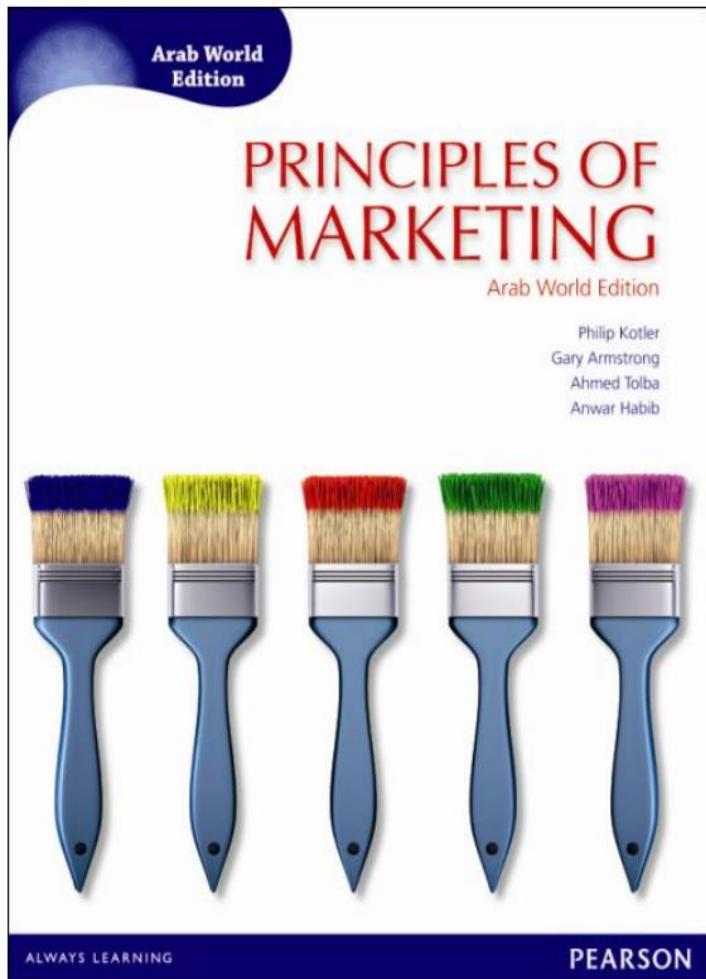
MARKETING MANAGEMENT

Lecture 3 - Chapter 3

Winter Semester 2022/2023

Course Lecturer:

Dr. Shaymaa Tayseer



Chapter 3:

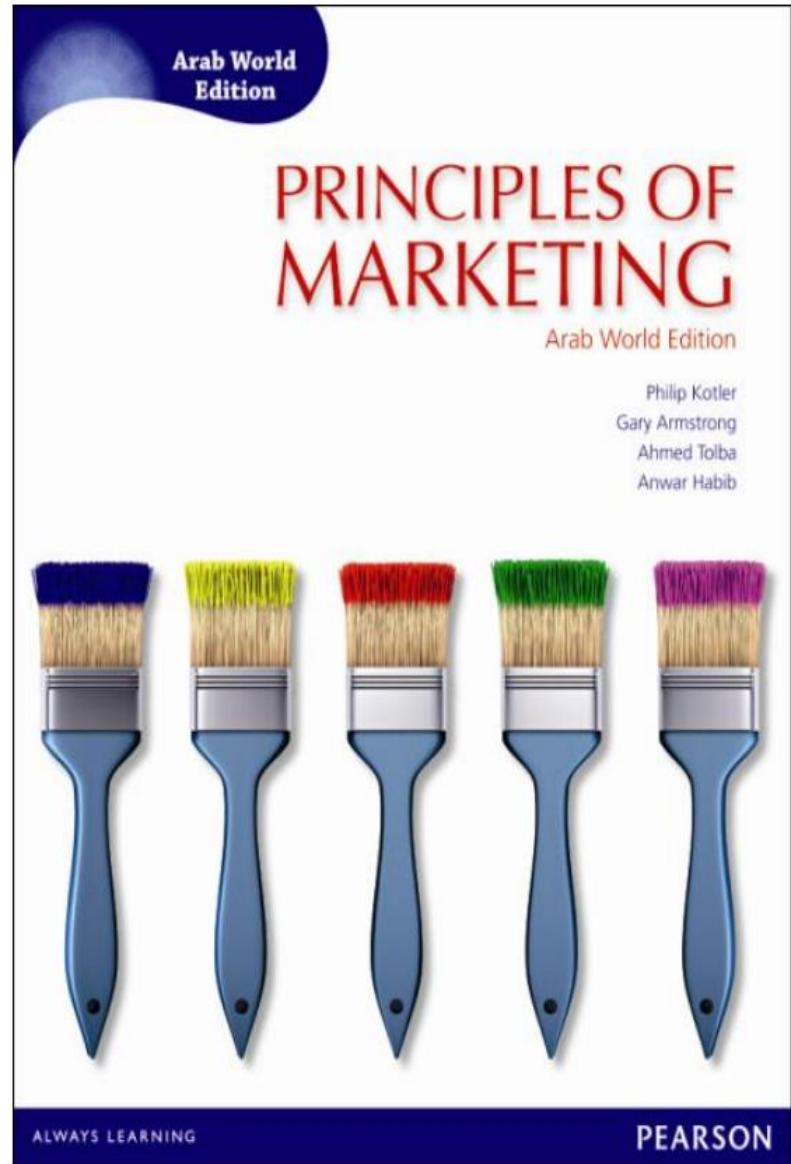
Analyzing

the

Marketing

Environment

Understanding the
Marketplace and
Consumers



A Company's Marketing Environment

The Marketing environment

includes the actors and forces outside marketing that affect marketing management's ability to build and maintain successful relationships with target customers.



A Company's Marketing Environment

The Micorenvironment

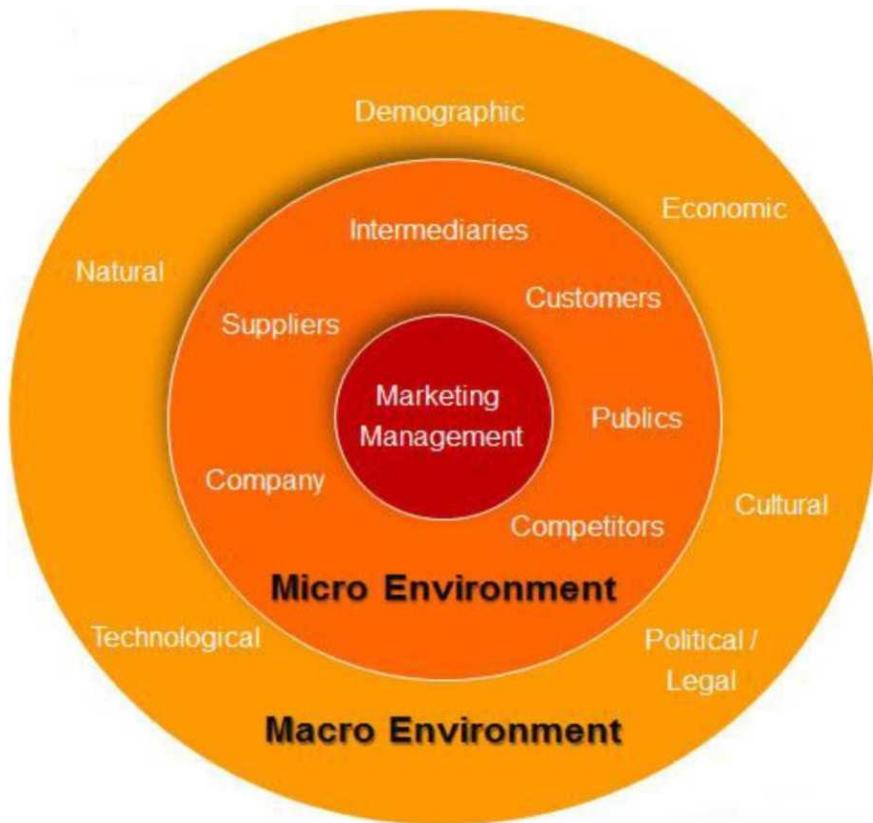
Microenvironment consists of the actors close to the company that affect its ability to serve its customers—the company, suppliers, marketing intermediaries, customer markets, competitors, and publics.

A Company's Marketing Environment

The Macroenvironment

Macroenvironment consists of the larger societal forces that affect the microenvironment—demographic, economic, natural, technological, political, and cultural forces.

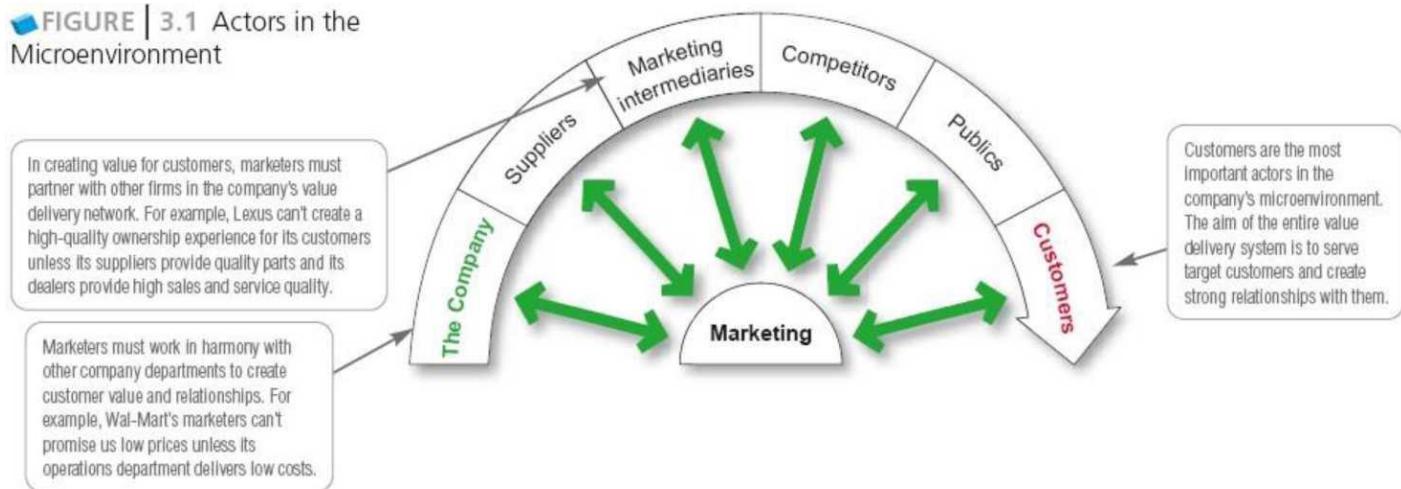
A Company's Marketing Environment



The Microenvironment

Actors in the Microenvironment

FIGURE | 3.1 Actors in the Microenvironment



The Microenvironment

The Company

In designing marketing plans, marketing management takes other company groups into account.

- Top management
- Finance
- R&D
- Purchasing
- Operations
- Accounting



The Microenvironment

Suppliers

- Provide the resources to produce goods and services
- Treat as **partners** to provide customer value

The Microenvironment

Marketing Intermediaries

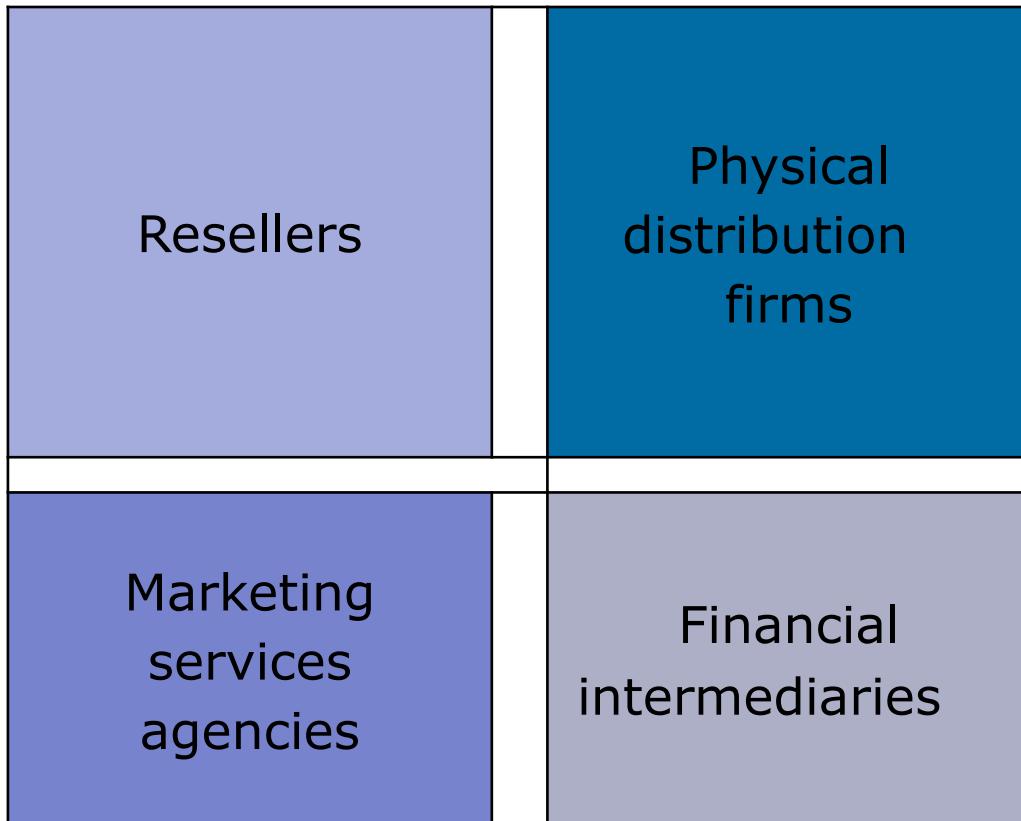
- Marketing intermediaries are firms that help the company to promote, sell, and distribute its goods to final buyers.



Partnering with intermediaries: Coca-Cola provides its retail partners with much more than just soft drinks. It also pledges powerful marketing support.

The Microenvironment

Marketing Intermediaries



The Microenvironment

Competitors

Firms must gain strategic advantage by positioning their offerings strongly against competitors' offerings in the minds of consumers.

Competitive Advantage: An advantage over competitors gained by offering greater customer value, either through lower prices or by providing more benefits that justify higher prices.



The Microenvironment

Publics

- Any group that has an actual or potential interest in or impact on an organization's ability to achieve its objectives:
 - Financial publics
 - Media publics
 - Government publics
 - General public
 - Internal publics

The Microenvironment

Customers

- Consumer markets
- Business markets
- Reseller markets
- Government markets
- International markets



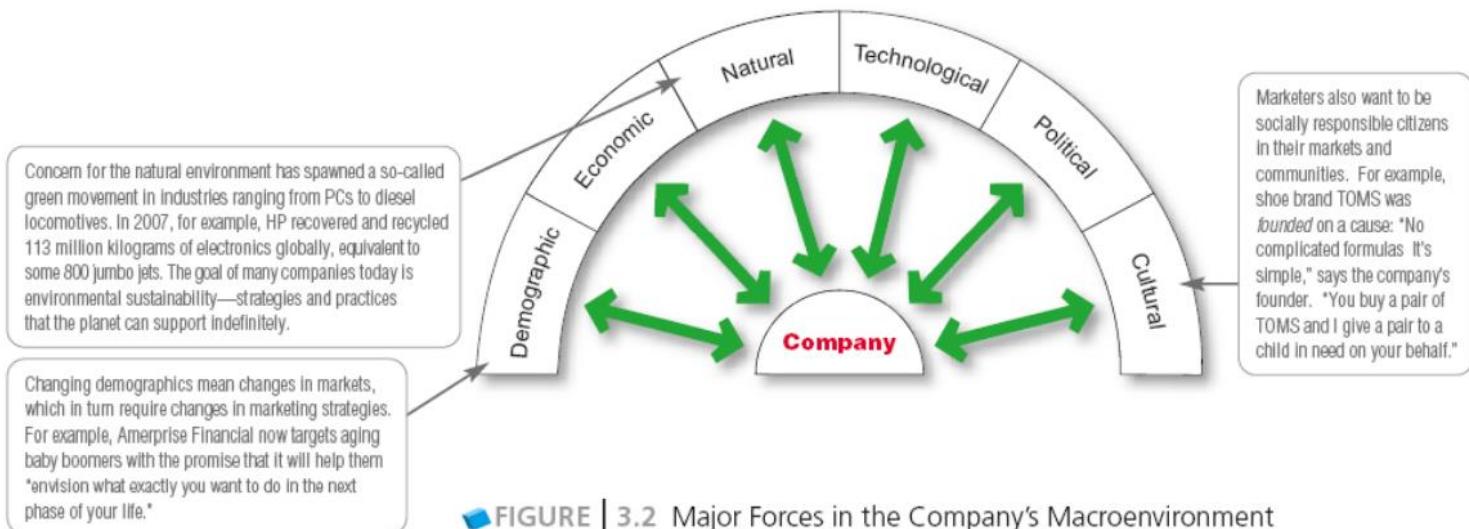
The Microenvironment

EXAMPLE: Ford vs. Firestone



The Macroenvironment

Actors in the Macroenvironment



The Macroenvironment

Demographic Environment

Demographic environment is related to human populations: size, density, location, age, gender, race, occupation, and other statistics.

- It is important because it involves people, and people make up markets.

Demographic trends include changing age and family structures, geographic population shifts, educational characteristics, and population diversity.

The Macroenvironment

EXAMPLE: Demographic Environment

Demographics and business: Chinese regulations limiting families to one child have resulted in what's known as the 'six-pocket syndrome.' Chinese children and teens are being showered with attention and luxuries, creating opportunities for marketers.





The Macroenvironment

Demographic Environment

Baby Boomers - born 1946 to 19 64 (51-69)

Generation X - born between 1965 and 1976 (39 - 50)

Millennials - born between 1977 and 2000 (15 - 38)



Demographic Environment

Changing Age Structure of the Population: Baby Boomers

Baby boomers include people born between 1946 and 1964 (51-69).

- This generation accounts for about **30%** of the Arab population
- Baby boomers "**think young**" no matter how old they are
- Baby boomers are **retiring later** and **working more** after retirement
- **Profitable market** for financial services, luxury goods, home improvements, holidays, travel and entertainment, health and fitness products
 - EXAMPLES: Dove & L'Oreal



Demographic Environment

EXAMPLE: Baby Boomers



- wrinkled?
- wonderful?

Will society ever accept 'old' can be beautiful? Join the beauty debate.

campaignforrealbeauty.co.uk | Dove



- grey?
- gorgeous?

Why can't more women feel glad to be grey? Join the beauty debate.

campaignforrealbeauty.co.uk | Dove

Demographic Environment

Changing Age Structure of the Population: Generation X

Generation X includes people born between 1965 and 1976 (39 - 50).

This generation tends to display the following traits:

- Skepticism
- Cautious economic outlook
- Less materialistic
- Family comes first
- Research products before considering a purchase

Demographic Environment

Changing Age Structure of the Population: Millennials

Millennials (Generation Y or Echo Boomers) include those born between 1977 and 2000 (15-38).

- Comfortable with technology
- Includes
 - Tweens (8–12)
 - Teens (13–19)
 - Young adults (20's)



Demographic Environment

EXAMPLE: Millennials



The Company's Macroenvironment

Demographic Environment

Generational marketing is important in segmenting people by lifestyle or life stage instead of age.



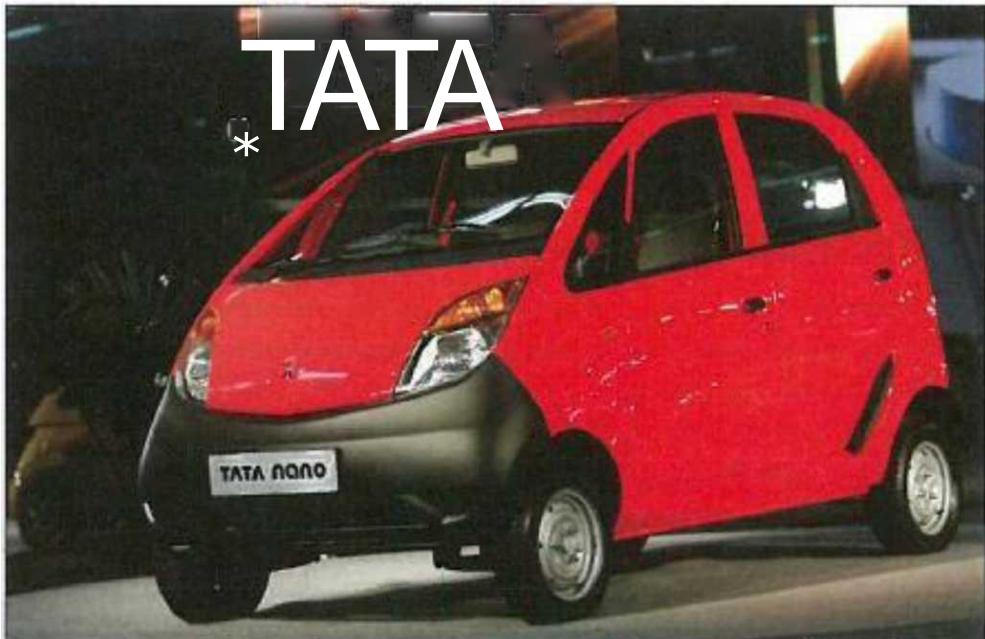
The Company's Macroenvironment

Economic Environment

The economic environment consists of factors that affect consumer purchasing power and spending patterns.

- **Industrial economies** are richer markets.
- **Subsistence economies** consume most of their own agriculture and industrial output.
- **Developing economies** also offer outstanding marketing opportunities.

The Company's Macroenvironment Economic Environment



Economic environment: To capture India's growing middle class. Tata Motors introduced the small, affordable Tata Nano, designed to be India's Model T - the car that puts the developing nation on wheels.

The Macroenvironment

The Natural Environment

The **natural environment** is the physical environment and the natural resources that are needed as inputs by marketers or that are affected by marketing activities.



The Macroenvironment

Natural Environment

Trends in the natural environment

- Growing shortages of raw materials
- Increased pollution
- Increased government intervention
- Developing strategies that support environmental sustainability

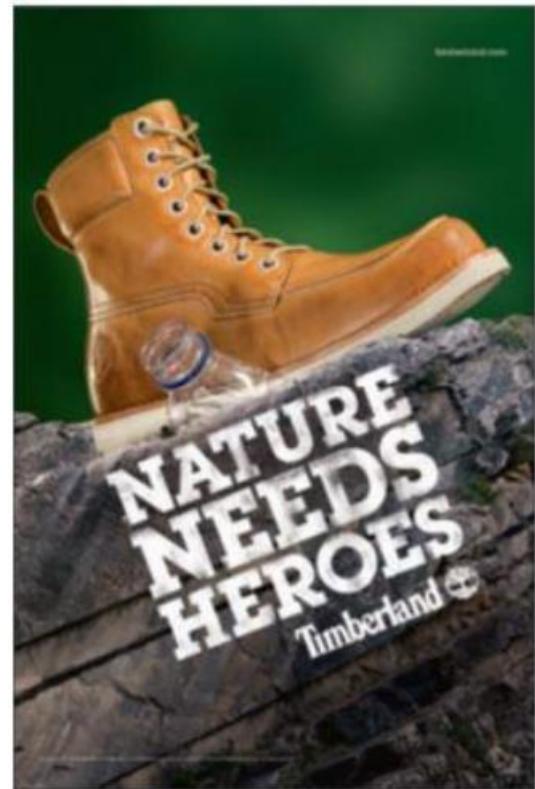
The Macroenvironment

EXAMPLE: Natural Environment



The Company's Macroenvironment Natural Environment

Environmental sustainability involves developing strategies and practices that create a world economy that the planet can support indefinitely.



- Environmental sustainability: Timberland is on a mission to do everything it can to reduce its impact on the planet while at the same time making better outdoor gear.

The Timberland Company

The Macroenvironment

EXAMPLE: HP - Natural Environment

HP recycles!



They recovered 113 million kilograms of electronics globally

The Macroenvironment

EXAMPLE: Adidas - Natural Environment



**Adidas
Creates Shoe
From Recycled
Ocean Waste**

The Macroenvironment

EXAMPLE: Plastic Bottle Village - Natural Environment



The Company's Macroenvironment

Technological Environment

The technological environment is the most **dramatic force** in changing the marketplace.

- It creates new products and opportunities.
- Safety of new products always a concern.



The Company's Macroenvironment

EXAMPLE: Technological Environment



<https://www.pinterest.com/explore/new-inventions/>

The Company's Macroenvironment

EXAMPLE: Technological Environment



<https://www.pinterest.com/explore/new-inventions/>

The Company's Macroenvironment Political and Social Environment

Political Environment consists of laws, government agencies, and pressure groups that influence and limit various organizations and individuals in a given society.

Legislation Regulating Business is intended to protect:

- companies from each other
- consumers from unfair business practices

The Company's Macroenvironment

EXAMPLE: CPA - Political and Social Environment

www.cpa.gov.eg/en-us/

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 Consumer Protection Agency

info@cpa.gov.eg  19588  

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Consumer Protection Agency bans Orange's ad on World Cup – September 16, 2017



#يانتاهمل_ياما_اتتحققونا_ش

The Macroenvironment

Political and Social Environment

Social Environment goes beyond written laws and regulations, where a business is also governed by social codes and rules of professional ethics.

- Socially responsible behavior
- Cause-related marketing

The Macroenvironment

EXAMPLE: Cause-related Marketing



The Macroenvironment

EXAMPLE: Cause-related Marketing



The Macroenvironment

Cultural Environment

The **cultural environment** consists of **institutions** and other forces that affect a society's basic values, **perceptions**, and behaviors.

The Company's Macroenvironment

Cultural Environment: The Persistence of Cultural Values

Core beliefs and values are persistent and are passed on from parents to children and are reinforced by schools, churches, businesses, and government.

Secondary beliefs and values are more open to change and include people's views of themselves, others, organizations, society, nature, and the universe.

The Company's Macroenvironment

EXAMPLE: Cultural Environment

2011 FAIRY dishwasher detergent
Arabian ad (Sayidaty magazine)



Responding to the Marketing Environment

Views on Responding to the Marketing Environment

Proactive

- Take aggressive actions to affect forces in the environment

you make the first action

Reactive

- Watch and react to forces in the environment

you respond to certain action

Responding to the Marketing Environment

EXAMPLE: Qatar Airways Responding to Laptop Ban



Responding to the Marketing Environment

EXAMPLE: Qatar Airways Responding to Laptop Ban

Qatar Airways highlights the process to customers on their website:

"**Complimentary laptop** will be available for **Business Class passengers** to use while travelling on all US-bound flights from next week and can be collected after boarding. Customers will be able to download their work on to a USB before stepping on board to pick up where they left-off. Qatar Airways is offering a **special service** at the **gate** for **all passengers**, whereby any electronic items prohibited by the new ban will be collected and **securely packaged**. These will be tagged, loaded as check-in baggage and returned safely to the customer on arrival to the US."