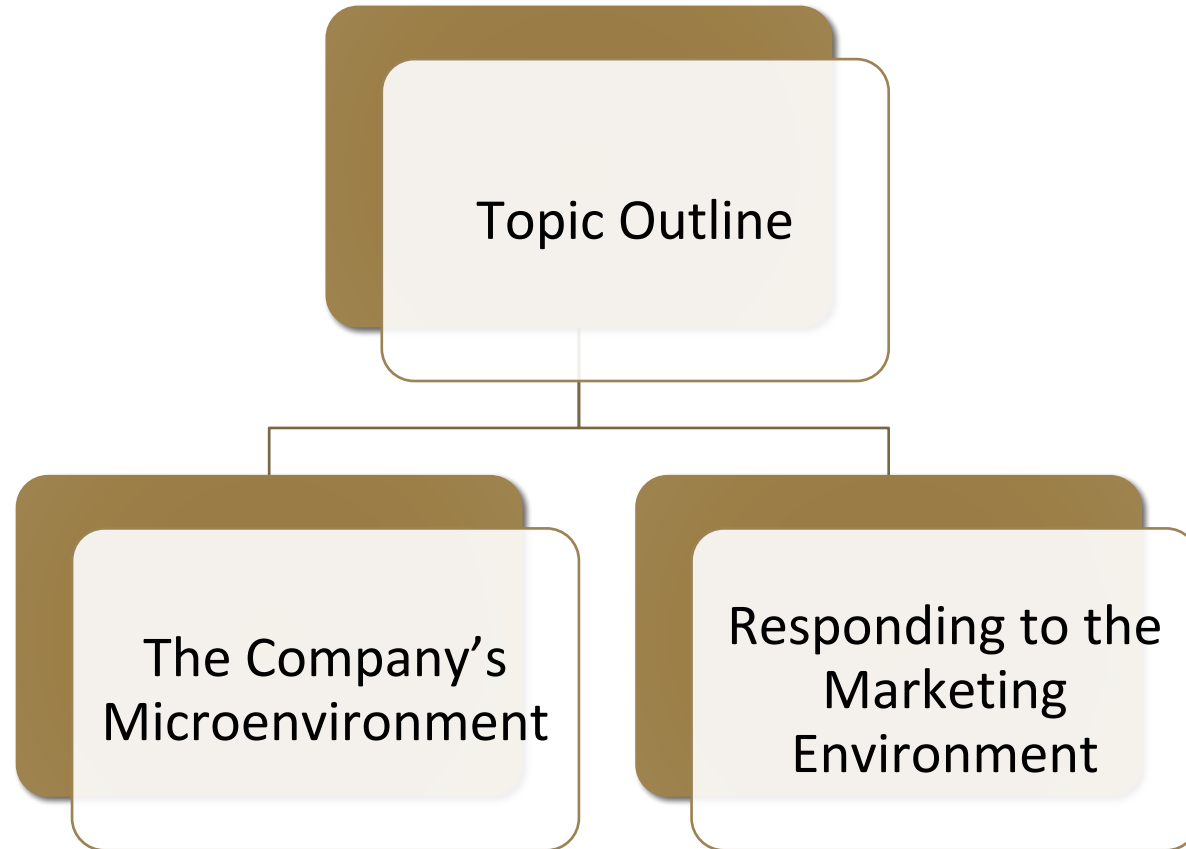




Analysing the Marketing Environment

DR. ASHUTOSH GAUR

Analysing the Marketing Environment



The 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



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

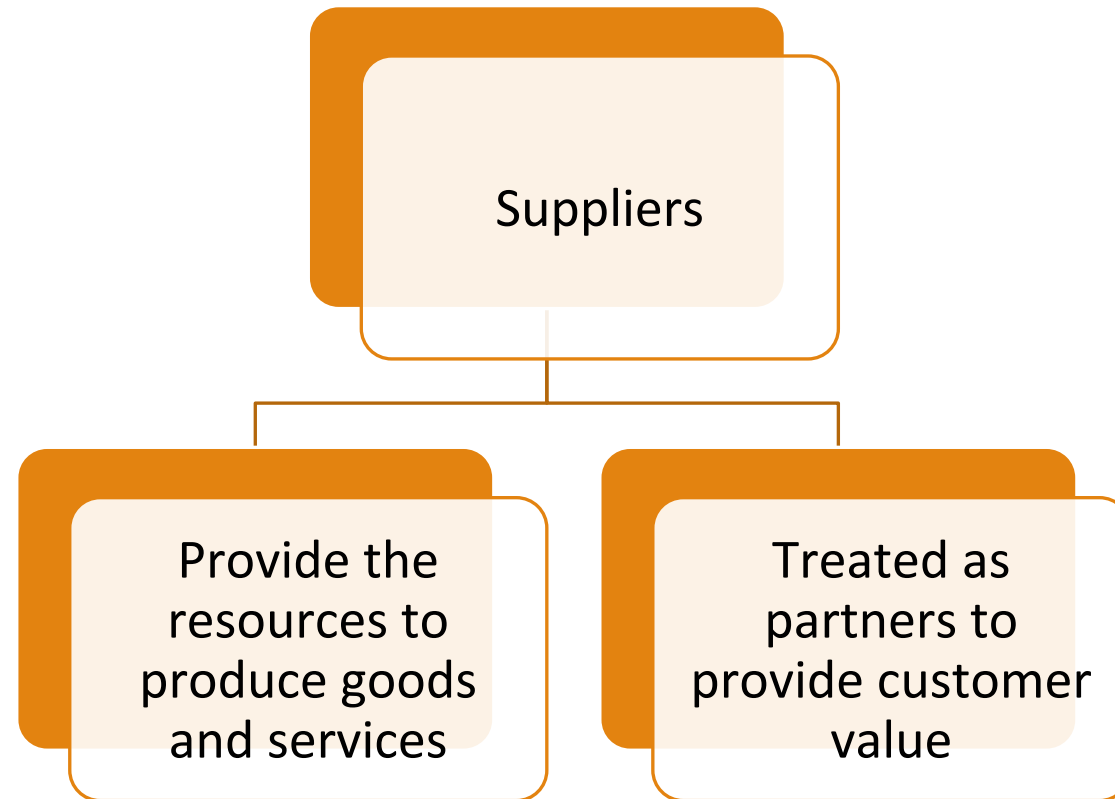
The Marketing Environment

The Company's Microenvironment

The Company

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

The Company's Microenvironment



Marketing Intermediaries



Help the company to promote, sell and distribute its products to final buyers

The Company's Microenvironment

The Company's Microenvironment

Types of Marketing Intermediaries

- Resellers
- Physical Distribution Firms
- Marketing Services Agencies
- Financial Intermediaries

Competitors

Firms must gain strategic advantage by positioning their offerings against competitors' offerings

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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
- Citizen-action publics
- Local publics
- General public
- Internal publics

The Company's Microenvironment

Demographic Environment

Demography is the study of human populations in terms of size, density, location, age, gender, race, occupation, and other statistics

Demographic environment is important because it involves people, and people make up markets.

Demographic trends include age, family structure, geographic population shifts, educational characteristics, and population diversity

The Company's Macroenvironment

Demographic Environment

Changing age structure of the population

- Baby boomers include people born between 1946 and 1964
- Most affluent Americans

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Demographic Environment

Generation X includes people born between 1965 and 1976

- High parental divorce rates
- Cautious economic outlook
- Less materialistic
- Family comes first
- Lag behind on retirement savings

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Demographic Environment

Millennials (gen Y or echo boomers) include those born between 1977 and 2000

- Comfortable with technology

- Includes:

- Tweens (ages 8–12)
- Teens (13–19)
- Young adults (20's)

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Demographic Environment

Generational marketing is important in segmenting people by lifestyle of life state instead of age

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Demographic Environment

More people are:

- Divorcing or separating
- Choosing not to marry
- Choosing to marrying later
- Marrying without intending to have children
- Increased number of working women
- Stay-at-home dads

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Demographic Environment

Growth in United States West and South and decline in Midwest and Northeast

Moving from rural to metropolitan areas

Changes in where people work

- Telecommuting
- Home office
- Divorcing or separating

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Demographic Environment

Changes in the workforce

- More educated
- More white collar

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Demographic Environment Increased Diversity

Markets are becoming more diverse

- International
- National

Includes:

- Ethnicity
- Gay and lesbian
- Disabled

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Economic environment

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

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Economic Environment

- Changes in income
- Value marketing involves ways to offer financially cautious buyers greater value—the right combination of quality and service at a fair price

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Economic Environment

Changes in Consumer Spending Patterns

Ernst Engel—Engel's Law

- As income rises:
 - The percentage spent on food declines
 - The percentage spent on housing remains constant
 - The percentage spent on savings increases

The Company's Microenvironment

Natural Environment

Natural environment involves the natural resources that are needed as inputs by marketers or that are affected by marketing activities

- Trends
 - Shortages of raw materials
 - Increased pollution
 - Increase government intervention
 - Environmentally sustainable strategies

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Technological Environment

- Most dramatic force in changing the marketplace
- Creates new products and opportunities
- Safety of new product always a concern

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Political Environment

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

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Political Environment

Legislation regulating business

- Increased legislation
- Changing government agency enforcement

Increased emphasis on ethics

- Socially responsible behaviour
- Cause-related marketing

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Cultural environment

Cultural environment consists of institutions and other forces that affect a society's basic values, perceptions, and behaviours

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Cultural Environment 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

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Cultural Environment Shifts in Secondary Cultural Values

People's view of themselves

□ Yankelovich Monitor's consumer segments:

- Do-It-Your selfers—recent movers
- Adventurers
- People's view of others
 - More “cocooning”

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Cultural Environment Shifts in Secondary Cultural Values

People's view of organizations

People's view of society

- Patriots defend it
- Reformers want to change it
- Malcontents want to leave it

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Cultural Environment Shifts in Secondary Cultural Values

People's view of nature

- Some feel ruled by it
- Some feel in harmony with it
- Some seek to master it

People's view of the universe

- Renewed interest in spirituality

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Responding to the Marketing Environment

Views on Responding

Uncontrollable

React and adapt to forces in the environment

Proactive

Aggressive actions to affect forces in the environment

Reactive

Watching and reacting to forces in the environment





Thank you
