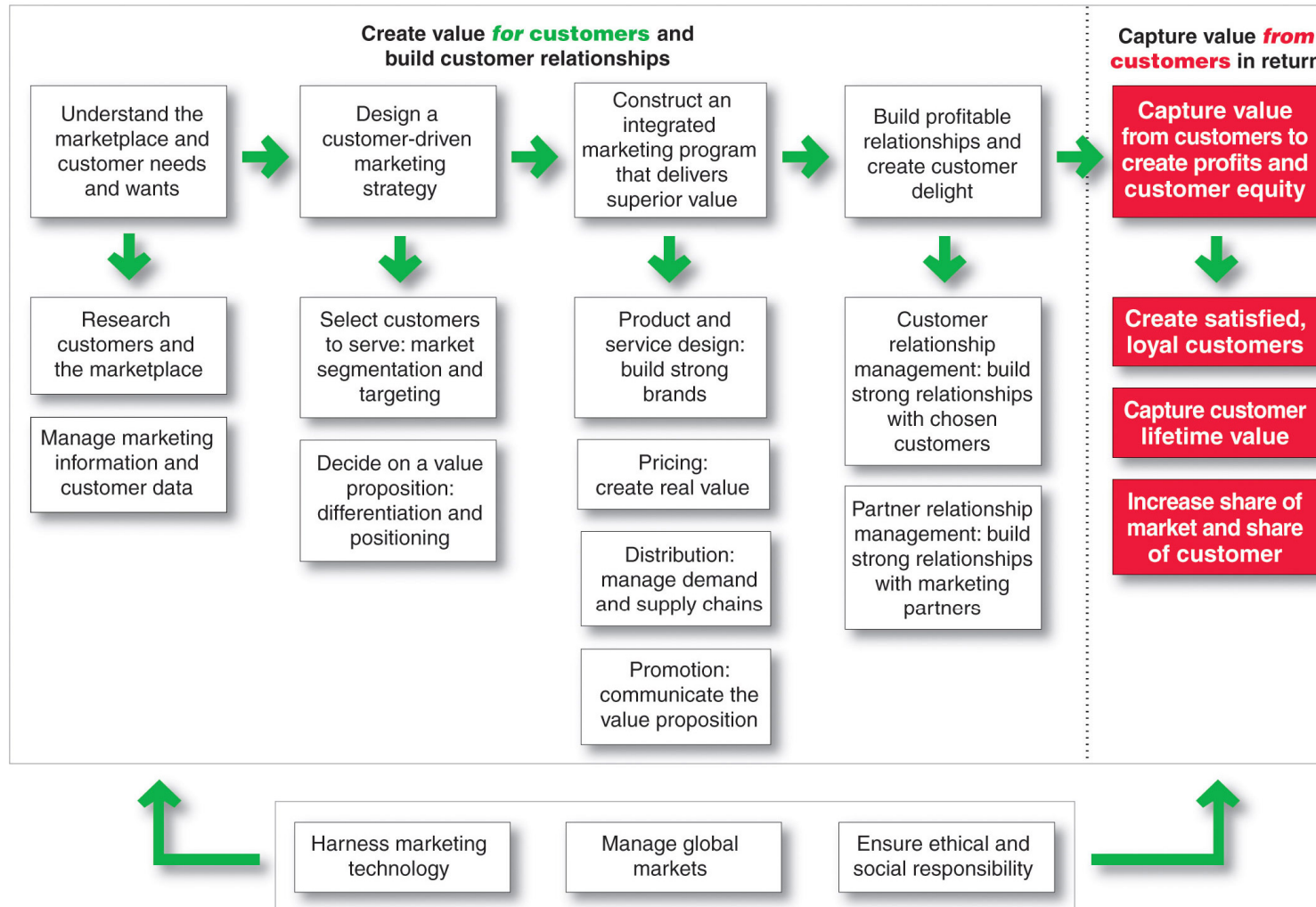


CHAPTER THREE

Analyzing the Marketing Environment

SO, WHAT IS MARKETING?

PULLING IT ALL TOGETHER



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 customers

THE MARKETING ENVIRONMENT

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 COMPANY'S MICROENVIRONMENT

Actors in the Microenvironment



THE COMPANY'S MICROENVIRONMENT

The Company

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



THE COMPANY'S MICROENVIRONMENT



Suppliers

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

IKEA: the world's largest furniture retailer

- 2000 suppliers in 50 countries
- Systematically develop a network of suppliers-partners that reliably provide the 12000 items in stocks.
- Not just buy from suppliers
- Works together for quality, design, and price

THE COMPANY'S MICROENVIRONMENT

Marketing Intermediaries

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



THE COMPANY'S MICROENVIRONMENT

Types of Marketing Intermediaries

Resellers

Physical
distribution
firms

Marketing
services
agencies

Financial
intermediaries

THE COMPANY'S MICROENVIRONMENT

Competitors

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



THE COMPANY'S 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
 - Citizen-action publics
 - Local publics
 - General public
 - Internal publics

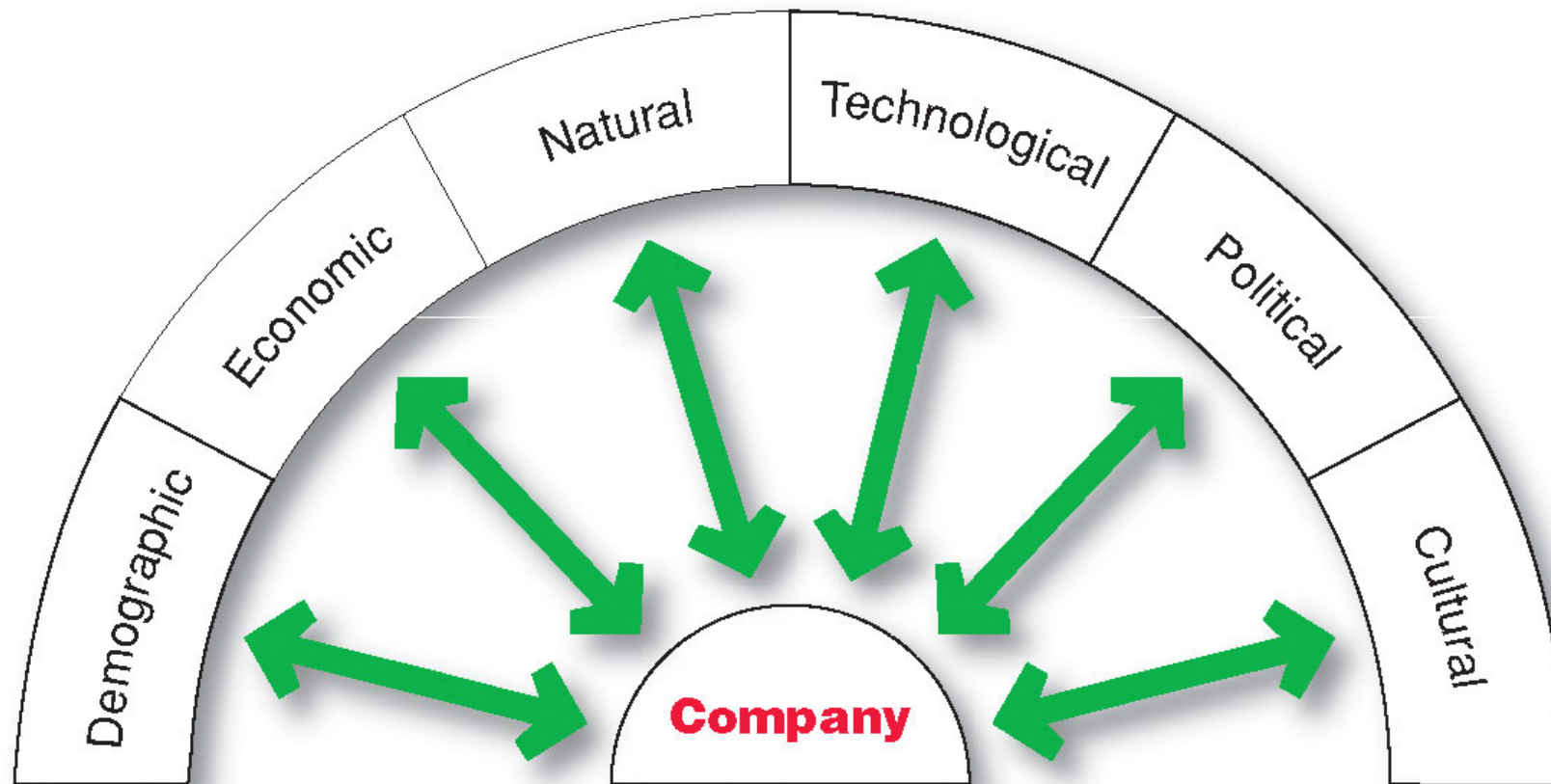


THE COMPANY'S MICROENVIRONMENT

Customers

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

THE COMPANY'S MACROENVIRONMENT



THE COMPANY'S MACROENVIRONMENT

Demographic Environment

Demography: the study of human population

- size,
- density,
- location,
- age,
- gender,
- race,
- Occupation

Demographic trends:

- shifts in age,
- family structure,
- geographic population,
- educational characteristics,

THE COMPANY'S MACROENVIRONMENT

Demographic Environment

- Baby Boomers (Born 1946 to 1964)
 - Now entering retirement
 - the wealthiest generation in U.S. history
 - Financial services, new housing, home remodeling, new cars, eating out, travel , healt and fitness products.
- Generation X (born 1965 to 1976)
 - Now parents
 - Family comes first
 - Less materialistic
 - Loves humor
 - Research products before purchase, prefer quality to quantity,
- Millennials (born 1977 to 2000)
 - Most financially strapped generation
 - Higher unemployment and saddled with more debt

THE COMPANY'S MACROENVIRONMENT

Demographic Environment

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



THE COMPANY'S MACROENVIRONMENT

Economic Environment

Economic environment consists of factors that affect consumer purchasing power and spending patterns

- Industrial economies, Developing economies
- Consumer spending
- Income distribution
- (India: growing middle class - potential for car market)
- (Germany – savings pattern)

THE COMPANY'S MACROENVIRONMENT

Natural Environment

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

○ Trends

- Increased shortages of raw materials
- Increased pollution
- Increased government intervention
- Increased environmentally sustainable strategies

THE COMPANY'S MACROENVIRONMENT

Technological Environment

- New products, opportunities
- New processes
- Concern for the safety of new products



THE COMPANY'S MACROENVIRONMENT

Political and Social Environment

- Legislation regulating business
 - Consumer rights
 - Intellectual property
 - Trademark
 - Advertising related issues
 - Labeling



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MINI

WE CAME. WE SAW. WE CAME IN SECOND.

The driver with the quickest two out of three qualifying runs was given the choice of lane for the final, winner-take-all, no-holds-barred, for-all-the-marbles lap. In case you're curious, we've posted all the times from all the laps below.

[WELCOME](#) [SIGN THE PETITION](#) [COMPARE THE CARS](#) [RACE RESULTS](#)

MINI COOPER	VS	PORSCHE 911
QUALIFYING LAP 1: 1:10.620	*****	1:10.089 (2 SEC. CONE PENALTY)
QUALIFYING LAP 2: 1:09.934	*****	1:08.274
QUALIFYING LAP 3: 1:10.111	*****	1:08.198
FINAL RACE LAP: 1:09.906	*****	1:07.854

PEPSODENT - NOW BETTER THAN COLGATE STRONG TEETH. DELIVERS 130% GERM ATTACK POWER.

Pepsodent VS **Colgate**

4 HOURS AFTER BRUSHING

NEW Pepsodent

THE COMPANY'S MACROENVIRONMENT

Cultural Environment

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



THE COMPANY'S MACROENVIRONMENT

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, organization, society, nature, and the universe

THE COMPANY'S MACROENVIRONMENT

Cultural Environment
Shifts in Secondary Cultural Values

- People's view of themselves
 - People vary in their emphasis on serving themselves versus serving others.
- People's view of others
 - More “cocooning” – staying home, home cooked meals

THE COMPANY'S MACROENVIRONMENT

Cultural Environment
Shifts in Secondary Cultural Values

- People's view of organizations
 - Decline of loyalty toward companies
- People's view of society
 - Patriots defend it
 - Reformers want to change it
 - Malcontents want to leave it

THE COMPANY'S MACROENVIRONMENT

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
 - Developed more permanent values
 - family, community, earth,
 - spirituality, ethics



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