

Chapter 4: Analyzing the Marketing Environment

A Marketing Environment Analysis Framework

By paying close attention to customer needs and continuously monitoring the environment in which a firm operates a good marketer can identify potential opportunities.

Successfully Leveraging Company Capabilities

successful marketing firms focus their efforts on satisfying customer need that match their core competencies. Apple noted there was a trend for sleek music players and made the iPod.

Building Relationships with Corporate Partners

building a relationship with others, and can take advantage of a good JIT system with each other.

Macroenvironmental Factors

Macroeconomic factors are aspects of the external environment that affect a company's business, such as competitors, demographics, social / cultural trends, technological advancements, economic conditions, and political/ regulatory factors. CDSTEP

Competitors

predicting new product launches and anticipating marketing campaigns help firms remain competitive by allowing them to develop similar products.

Competitive intelligence to collect and synthesize information about their position with respect to their rivals; enables companies to anticipate market development rather than merely react to them.

Reviewing public materials including websites, press releases, industry journals, annual reports, subscription databases, permit applications, patents applications, and trade shows.

Interviewing customers, suppliers, partners, or former employees

Analyzing a rival market tactics, distribution practices, pricing, and hiring needs.

Sometimes it goes to far, like what westjet did to aircanada, going into employee db and look up information.

Demographics

characteristics of human populations and segments, especially those used to identify consumer markets such as age, gender, income, and education.

Generational Cohorts

a group of people of the same generation – typically have similar purchase behaviors because they have shared experiences and are in the same stage of life.

Seniors, baby Boomers, Generation X, Generation Y, Tweens

Income

Upper class, middle class, working class, under class less than 20k and often rely on

assistance to cover the basic needs.

Education

studies show that higher levels of education lead to better jobs and higher incomes.

Gender

years ago gender roles appeared clear, but those male/female roles have been blurred. Now a days dad's are taking care of kids, and mom's are shopping at Rona's.

Social and Cultural Trends

GreenerConsumers™

many consumers are responding very positively to the marketing efforts of companies to encourage recycling and reuse of shopping bags and a variety of other products.

Privacy Concerns

the internet has created access to consumer information. Consumers are constantly reminded that their identity may not be their own. Having a privacy policy is a good idea.

The Time-Poor Society

the majority of families, both parents work, and the kids are busier then ever. There are so much to do when they do have leisure time, usually multitasking. Their attention simply cannot focus as well on advertisements.

Ethnicity

There are many immigrants coming into the country, and most of them are young, educated, and wealthy.

Culture

the shared meanings, beliefs, morals, values, and customs of a group of people. The challenge for marketers is to determine whether their culture can serve as a relevant identified for a particular group of people who would be interested in purchasing the firm's products and services.

Country Culture

entails easy to spot visible nuances that are particular to a country, such as dress, symbols, ceremonies, language, colors, and food preferences, and more subtle aspects which are trickier to identify.

Regional Subcultures

where they will affect how they react to different cultural rituals or even how they refer to a particular product. Like soda, pop, or coke, when it's really a Pepsi.

Technological Advances

technology has greatly contributed to the improvement of the value of both products and services in the past few decades

Economic Situation

affect the way consumers buy merchandise and spend money, both in a marker's home country and abroad. Some major influences is the foreign exchange, inflation, and interest rates. Which

affect, imports, exports, price of goods and services, and bank loans.

Political / Regulatory Environment

organizations must fully comply with any legislation regarding fair competition, consumer protection, or industry-specific regulation. There are laws that promote fair trade and fair competition (monopolies).

There is regulations to protect consumers from false or misleading advertising, and mandatory labels for hazardous products. Companies are also limited on debt collection, and the government also regulates specific industries such as energy and telephone.

Scenario Planning

scenario planning is a process that integrates macroenvironmental information in an attempt to understand the potential outcomes of different applications of a firm's marketing mix. Enables a firm to predict monitor and adapt to the every changing future.

Step 1: Access Strengths and Weakness

Evaluate the organizations strengths and weakness (SW of SWOT)

Step 2: Access Opportunities and Threads

What is the organizations opportunities, and the treats (OT of SWOT)

Step 3: Identify Different Scenarios

executives can identify some alternative scenarios that might happen in the next five years. Each of these scenarios requires careful consideration and reflection to assess the risks, benefits, and costs of that move.

Step 4: Apply the Marketplace Mix to the Different Scenario

in this stage the firm develops a potential strategy for each of the different scenarios.

Step 5: Assess the Profitability of Each Scenario

managers must finally asses the profitability of each option. In doing so, they weigh the expected revenues against the expected costs.