

# *The Marketing Environment*



## **Lesson 2**

# The Marketing Environment

## Marketing Environment:

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

## Micro-environment

Includes the actors close to the company

## Macro-environment

Involves larger societal forces

# Micro-environment

## Actors

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1. *The company*
2. *Suppliers*
3. *Marketing intermediaries*
4. *Customers*
5. *Competitors*
6. *Publics*

- Marketing must consider other parts of the organization including finance, R&D, purchasing, operations and accounting
- Marketing decisions must relate to broader company goals and strategies

# Micro-environment

## Actors

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1. *The company*
2. ***Suppliers***
3. *Marketing intermediaries*
4. *Customers*
5. *Competitors*
6. *Publics*

- Marketers must watch supply availability and pricing
- Effective partnership relationship management with suppliers is essential

# Micro-environment

## Actors

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1. *The company*
2. *Suppliers*
3. *Marketing intermediaries*
4. *Customers*
5. *Competitors*
6. *Publics*

- Help to promote, sell and distribute goods to final buyers
- Include resellers, physical distribution firms, marketing services agencies and financial intermediaries
- Effective partner relationship management is essential

# Micro-environment

## Actors

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1. *The company*
2. *Suppliers*
3. *Marketing intermediaries*
4. ***Customers***
5. *Competitors*
6. *Publics*

- **The five types of customer markets**
  - **Consumer**
  - **Business**
  - **Reseller**
  - **Government**
  - **International**

# Micro-environment

## Actors

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1. *The company*
2. *Suppliers*
3. *Marketing intermediaries*
4. *Customers*
5. ***Competitors***
6. *Publics*

- Conducting competitor analysis is critical for success of the firm
- A marketer must monitor its competitors' offerings to create strategic advantage

# Micro-environment

## Actors

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1. *The company*
2. *Suppliers*
3. *Marketing intermediaries*
4. *Customers*
5. *Competitors*
6. *Publics*

- A group that has an actual or potential interest in or impact on an organization
- Seven publics include:
  - Financial
  - Media
  - Government
  - Citizen-action
  - Local
  - General
  - Internal

# The Macro-environment

## Macro-environmental Forces

- Demographic
- Economic
- Natural
- Technological
- Political
- Cultural

# Demographic Environment

## Demographic Environment:

- The study of human populations in terms of size, density, location, age, gender, race, occupation and other statistics

# Demographic Environment

- **Changing age structure of the U.S. population is the single most important demographic trend**
- **Baby boomers, Generation X, and Generation Y are the key groups**

# 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
- Increased government intervention

# Technological Environment

- The most dramatic force shaping our destiny
- Rapidly changing force which creates many new marketing opportunities but also turns many existing products extinct

# Political Environment

**Consists of laws, government agencies and pressure groups that influence or limit various organizations and individuals in a given society**

- **Legislation affecting businesses worldwide has increased**
- **Laws protect companies, consumers and the interests of society**
- **Increased emphasis on socially responsible actions**

# Cultural Environment

Made up of institutions and other forces that affect a society's basic values, perceptions, preferences and behaviours.

# Cultural Environment

## Includes people's views of...

### Themselves

- Identify with brands for self-expression

### Others

- Recent shift from "me" to "we" society

### Organizations

- Trend of decline in trust and loyalty to companies

### Society

- Patriotism on the rise

### Nature

- "lifestyles of health and sustainability" (LOHAS) consumer segment

### Universe

- Includes religion and spirituality



# Responding to the Marketing Environment

**“There are three kinds of companies: those who make things happen, those who watch things happen, and those who wonder what’s happened.”**