



Chapter Three

Analyzing the Marketing Environment

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Analyzing the Marketing Environment

Topic Outline

- The Company's Microenvironment
- The Company's Macroenvironment
- The Demographic Marketing Environment
- The Economic Environment
- The Natural Environment
- The Technological Environment
- The Political and Social Environment
- The Cultural Environment
- Responding to the Marketing Environment



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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



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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

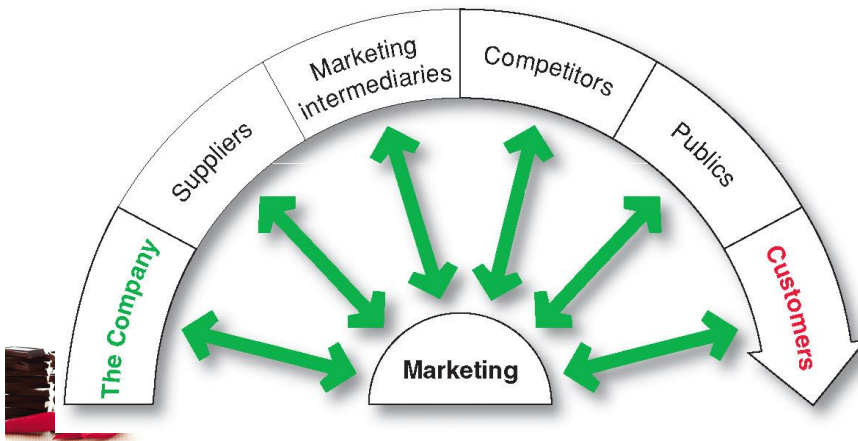


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The Company's Microenvironment

Actors in the Microenvironment



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The Company's Microenvironment

The Company

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



digital growth:
74%



Take a smart printer: Transcontinental Inc. Add relevant data to a catalog run using Xerox digital technology and their client, Reader's Digest Canada, has 74% more sales. There's a new way to look at it.

Transcontinental Inc. thought a digital print solution could achieve a response breakthrough for Reader's Digest, one of the world's most successful direct marketers. A call to the digital experts from the Xerox 15 Club more than proved them right. Using a Reader's Digest database and Xerox digital printing technology, personalized direct mail was created to test against a traditional direct mail campaign. The result? The 15 Club's messaging outperformed the traditional by 74%. The more personalized messages simply had more juice. Could you benefit from our digital advantage? Just ask the pros at Reader's Digest and Transcontinental.

www.xerox.com/digital 1-800-438-4555



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The Company's Microenvironment

Suppliers

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



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The Company's Microenvironment

Marketing Intermediaries

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



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The Company's Microenvironment

Types of Marketing Intermediaries

Resellers

Physical
distribution
firms

Marketing
services
agencies

Financial
intermediaries



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The Company's Microenvironment

Competitors

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



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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
 - Internal publics



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The Company's Microenvironment

Customers

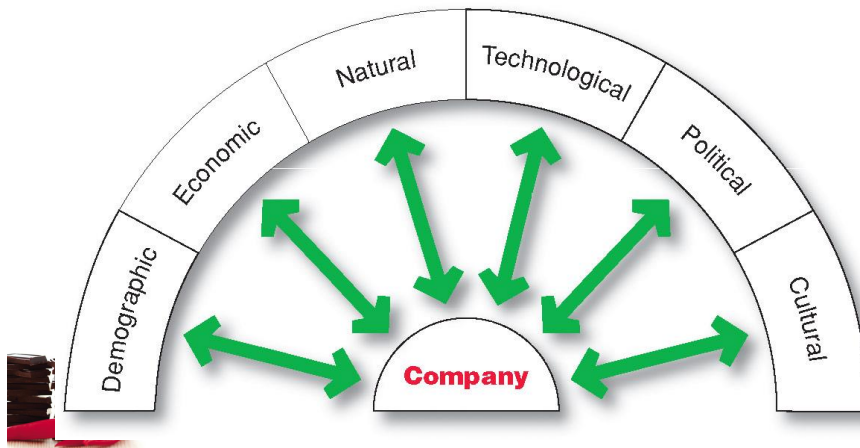
- Consumer markets
- Business markets
- Government markets
- International markets



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The Company's Macroenvironment



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The Company's Macroenvironment

Demographic Environment

Demography: the study of human populations-- size, density, location, age, gender, race, occupation, and other statistics

- **Demographic environment:** involves people, and people make up markets
- **Demographic trends:** shifts in age, family structure, geographic population, educational characteristics, and population diversity



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The Company's Macroenvironment

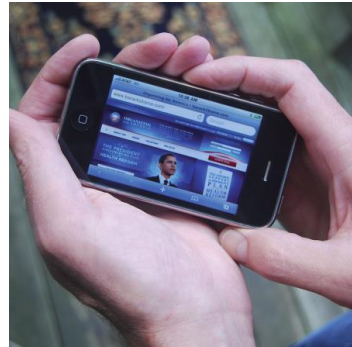
Demographic Environment

Generational marketing

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



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The Company's Macroenvironment

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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The Company's Macroenvironment

Economic Environment

Value marketing

offering financially cautious buyers greater value—the right combination of quality and service at a fair price



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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



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The Company's Macroenvironment

Technological Environment

- Most dramatic force in changing the marketplace
- New products, opportunities
- Concern for the safety of new products



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The Company's Macroenvironment

Political and Social Environment

Political environment

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



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The Company's Macroenvironment

Cultural Environment

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



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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



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Responding to the Marketing Environment

Views on Responding

Uncontrollable	Proactive	Reactive
<ul style="list-style-type: none">• React and adapt to forces in the environment	<ul style="list-style-type: none">• Aggressive actions to affect forces in the environment	<ul style="list-style-type: none">• Watching and reacting to forces in the environment



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