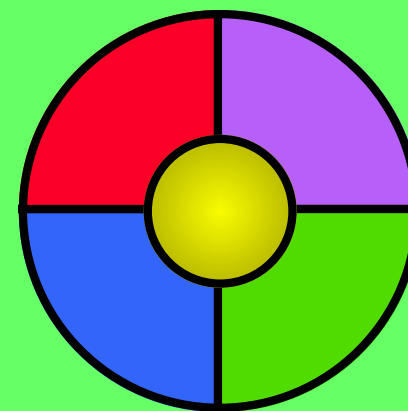


Lesson 2

Changing Marketing
Environment
February 25, 2008



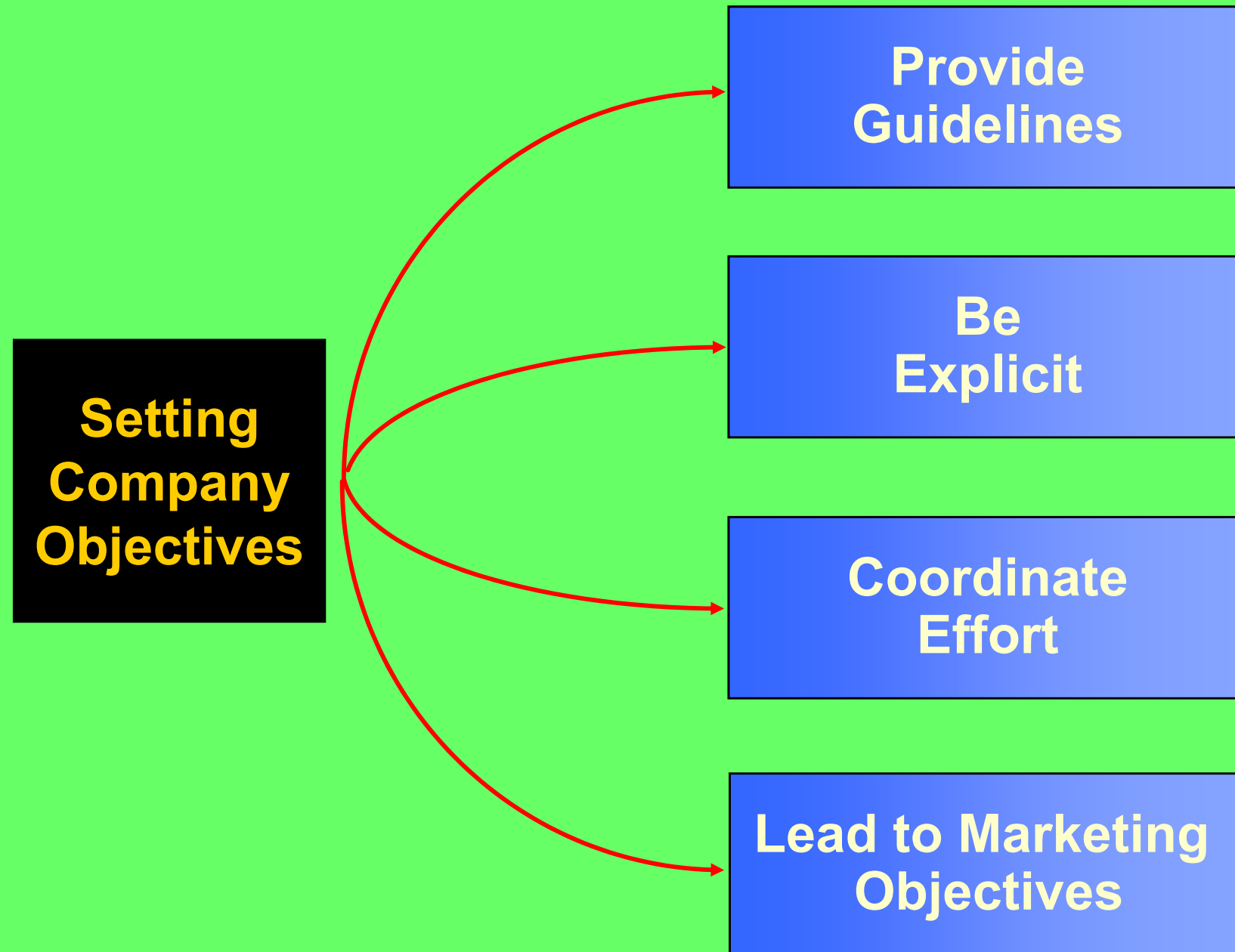
Objectives



When you finish this chapter, you should

1. Know the variables that shape the environment of marketing strategy planning.
2. Understand why company objectives are important in guiding marketing strategy planning.
3. See how the resources of a firm affect the search for opportunities.
4. Know how the different kinds of competitive situations affect strategy planning.
5. Understand how the economic and technological environment can affect strategy planning.
6. Understand how to screen and evaluate marketing strategy opportunities.
7. Understand the important new terms.

The Importance of Objectives



A Hierarchy of Objectives

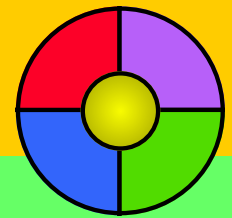
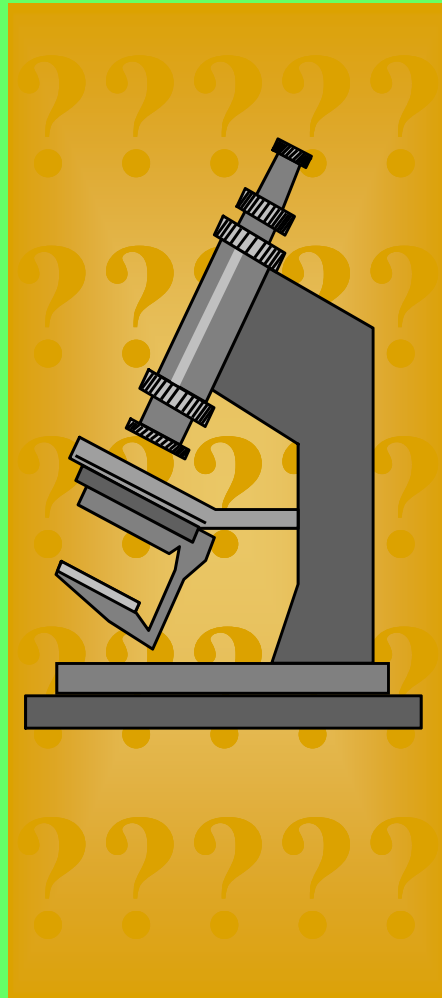


Exhibit 4-1

Limits on Opportunity Search



- **Financial Strength**

- **Producing Capability and Flexibility**

- **Marketing Strengths**

The Competitive Environment



**Key
Concepts
in the
Competitive
Environment**

Kinds of Markets

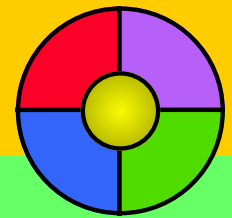
Competitor Analysis

Competitive Rivals

Competitive Barriers

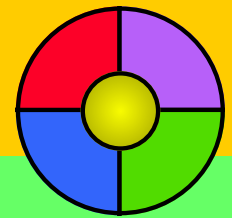
Information on Competitors

Major areas of the external market environment

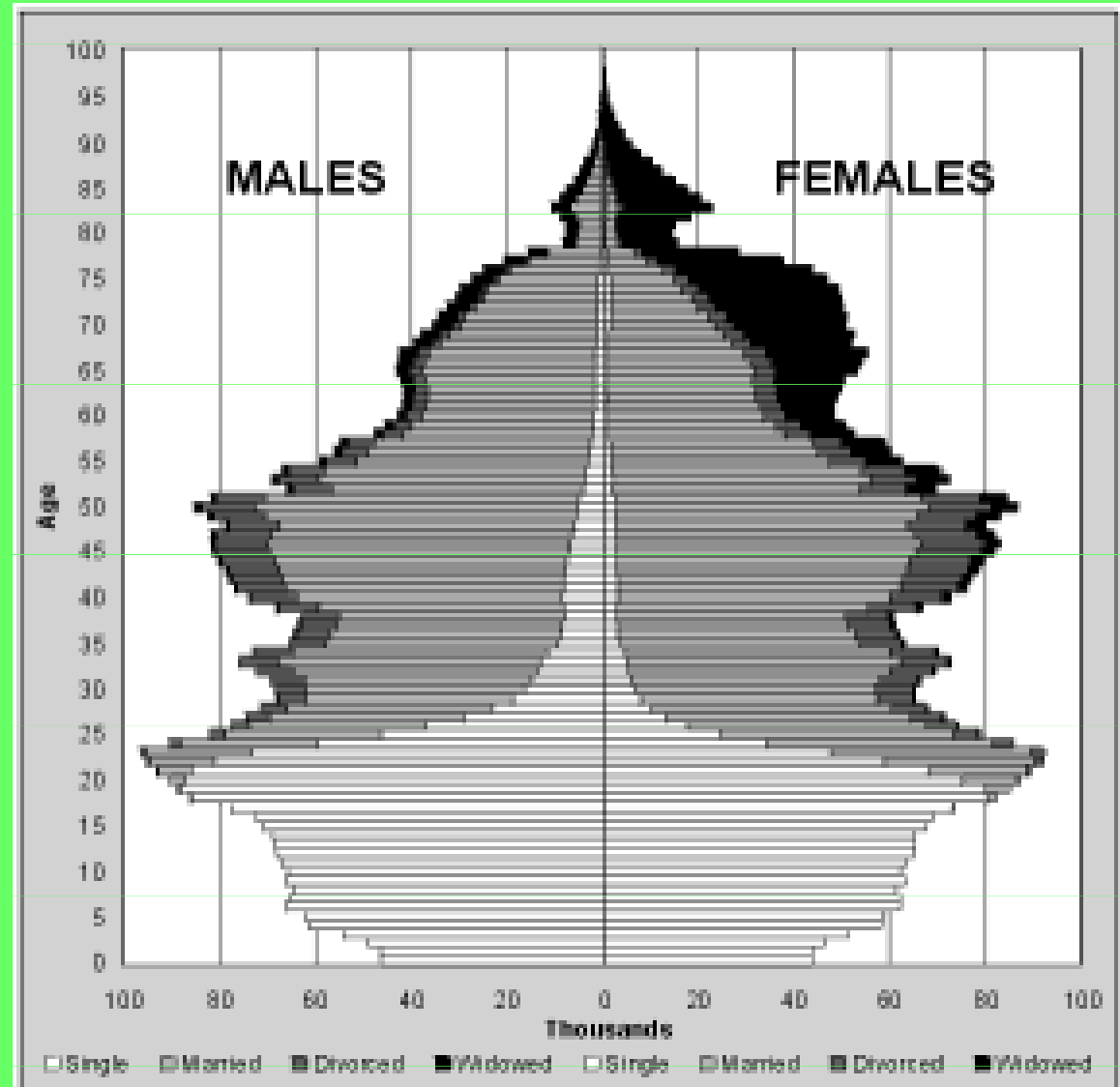
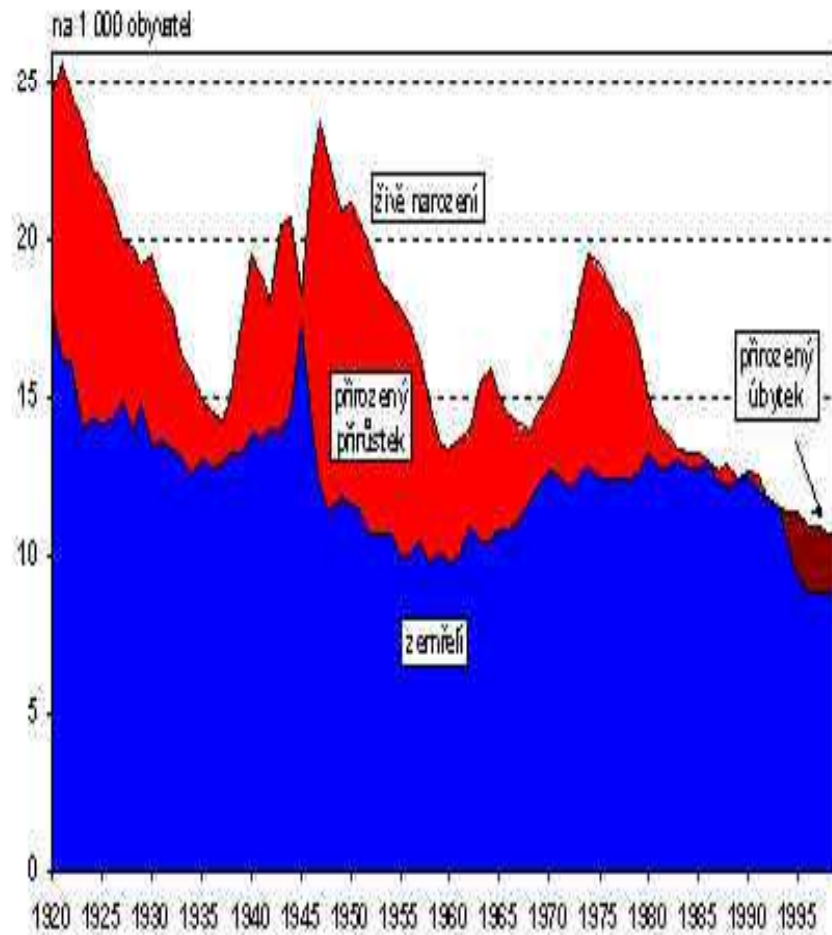


- **Demographic environment**
- **Economic environment**
- **Technological environment**
- **Political and legal environment**
- **Cultural and social environment**
- **Natural environment**

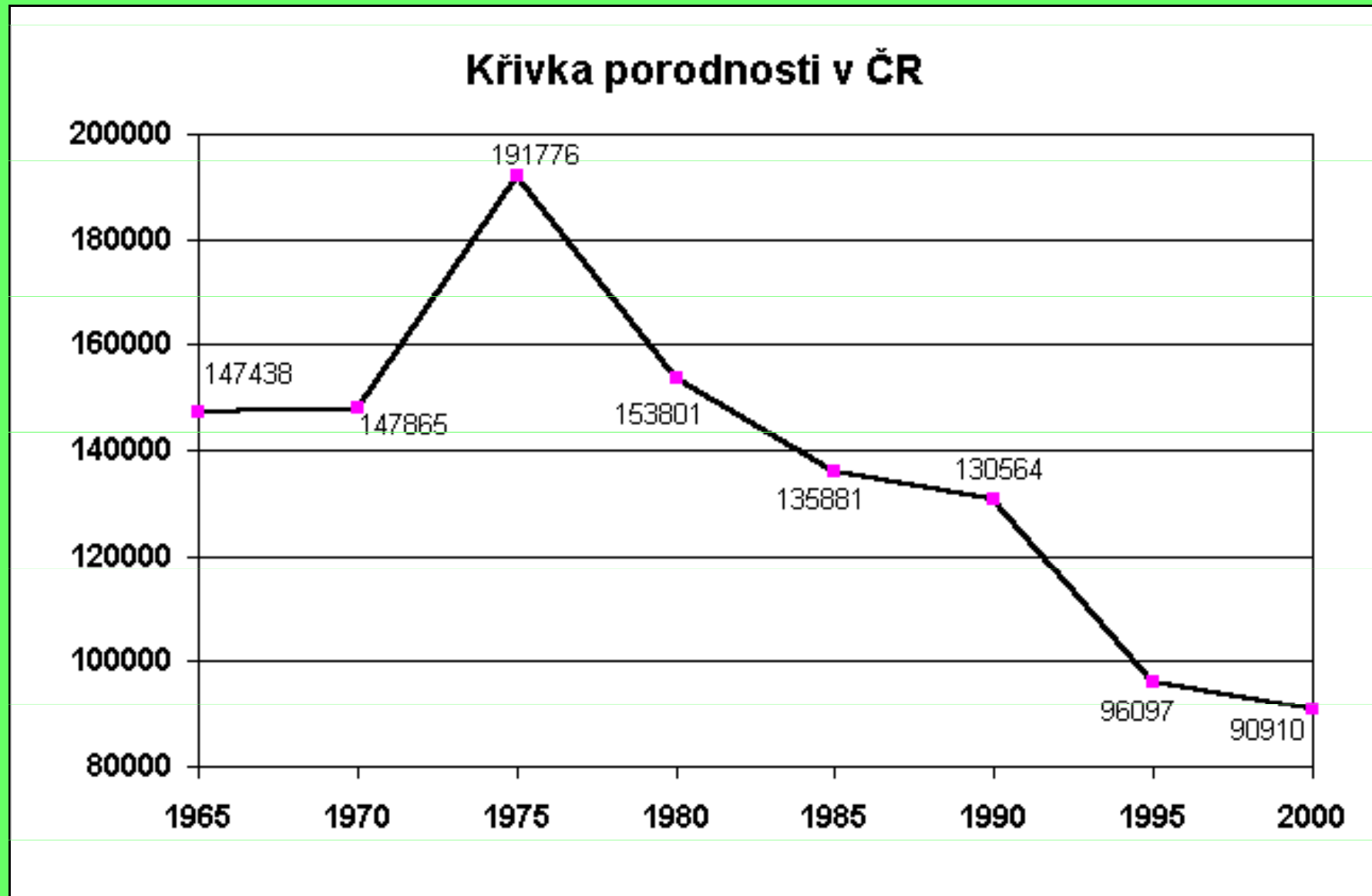
Demographic development

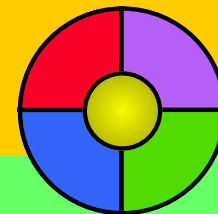


Vývoj základních demografických ukazatelů

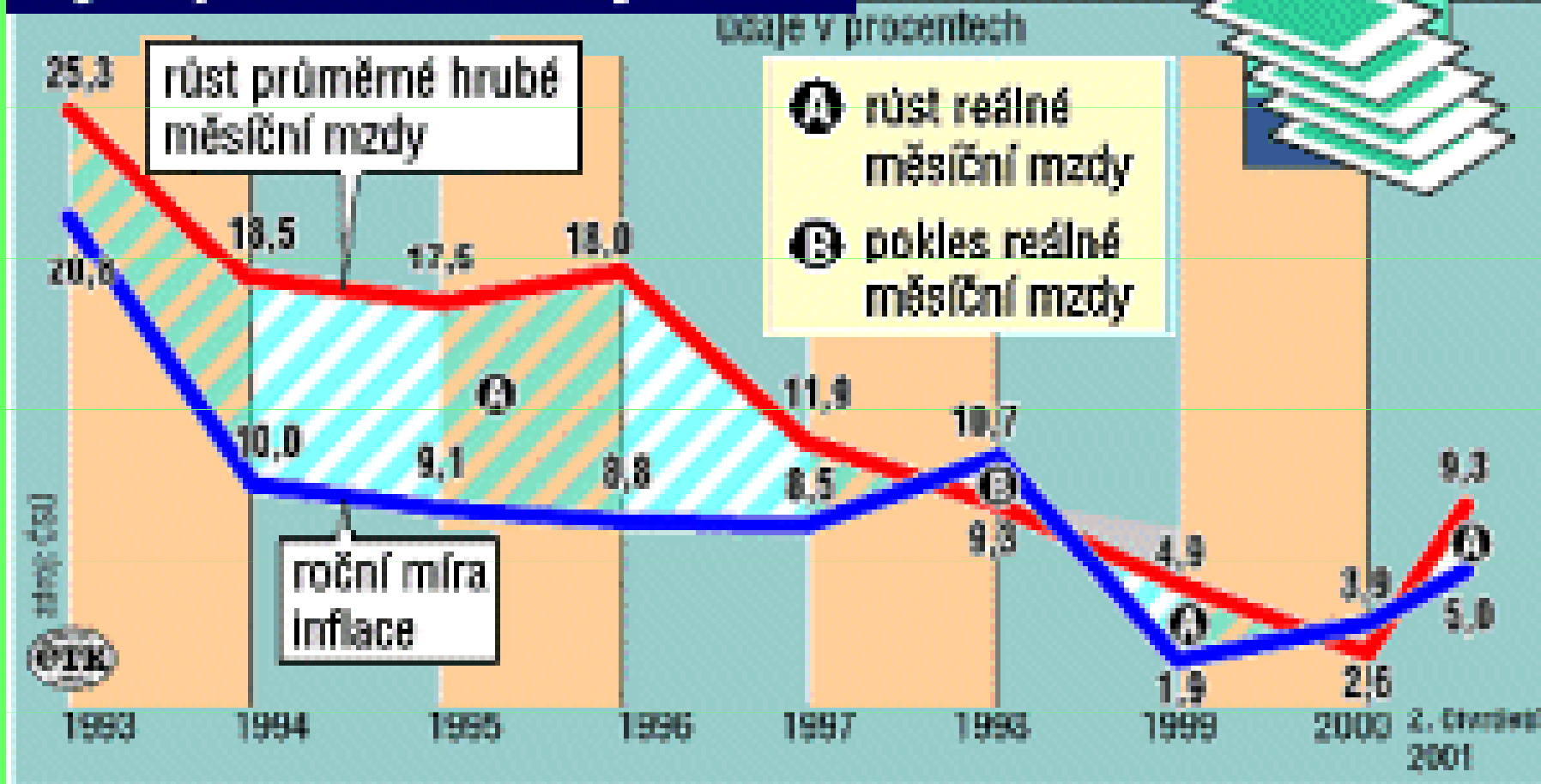


Demographic development II

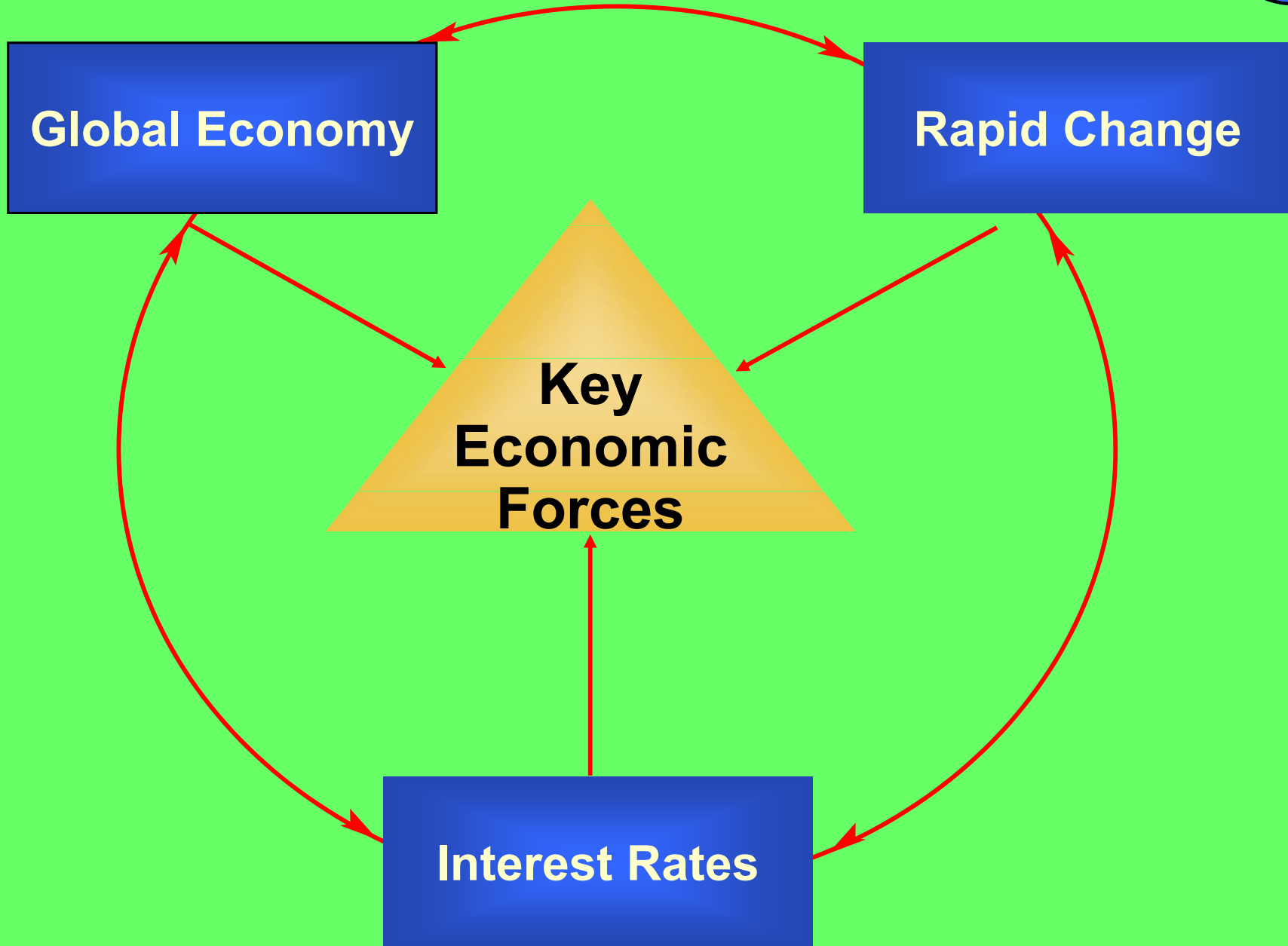
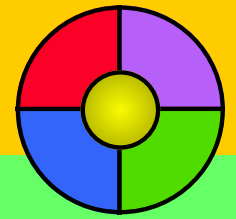




Vývoj reálné mzdy v ČR



The Economic and Technological Environment



Economic Factors



**Economic Areas
of Concern to
Marketers**

**Distribution of
Consumer
Income**

Recession

Inflation



Inflation



Prices

- Prices rise with no wage increase
Purchasing Power decreases
- Increase profit margins by increasing efficiency
- Consumers reaction:
 - Search for lowest prices
 - Rely on coupons and sales

Recession



- Income, production and employment fall
- Reduced demand for goods and services



Recession Marketing Strategies

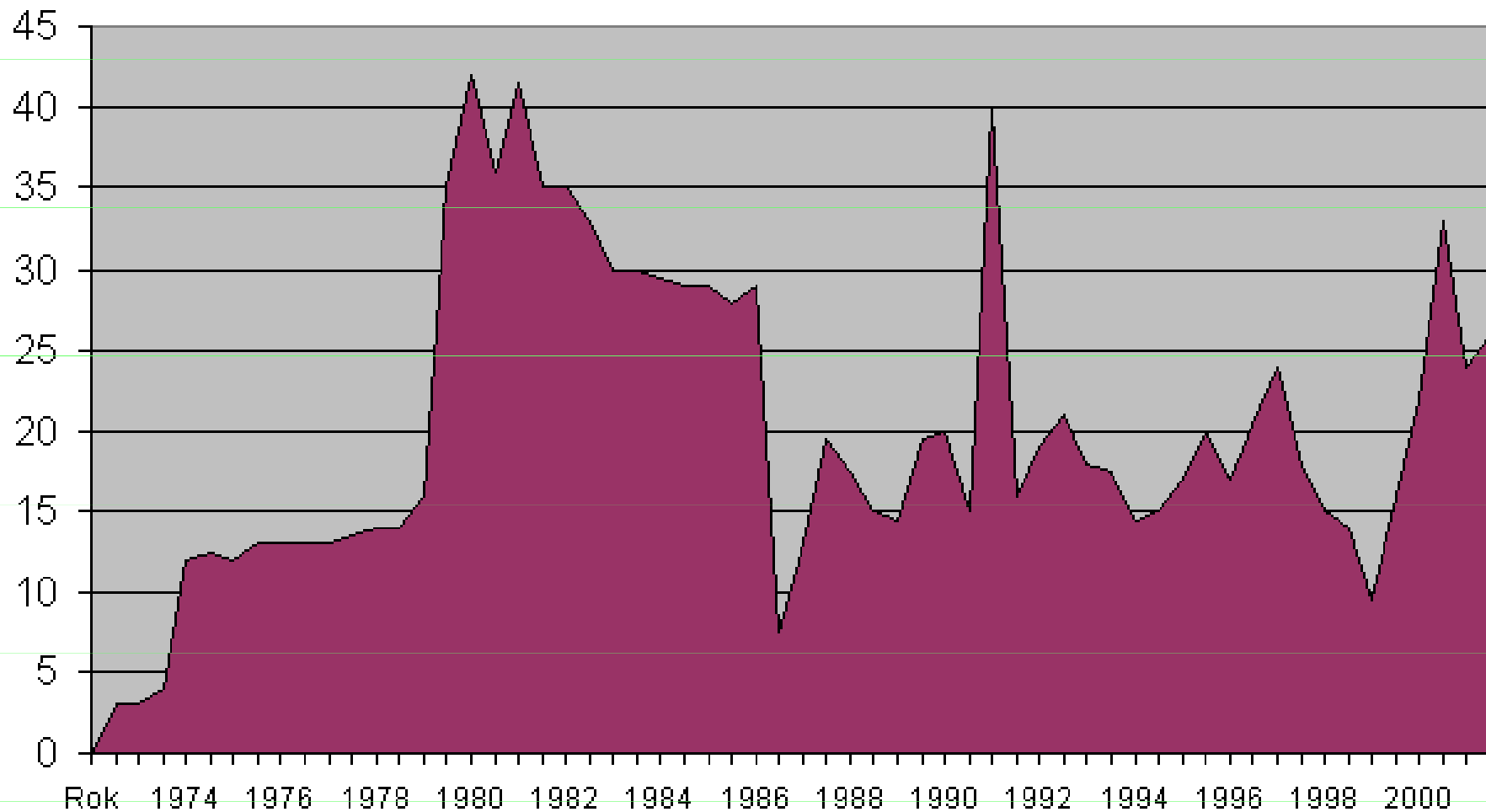


- ◆ **Improve existing products**
- ◆ **Introduce new products**
- ◆ **Maintain customer services**

The Economic vs Natural vs Technological Environment



Cena ropy na světových trzích (USD/barel)

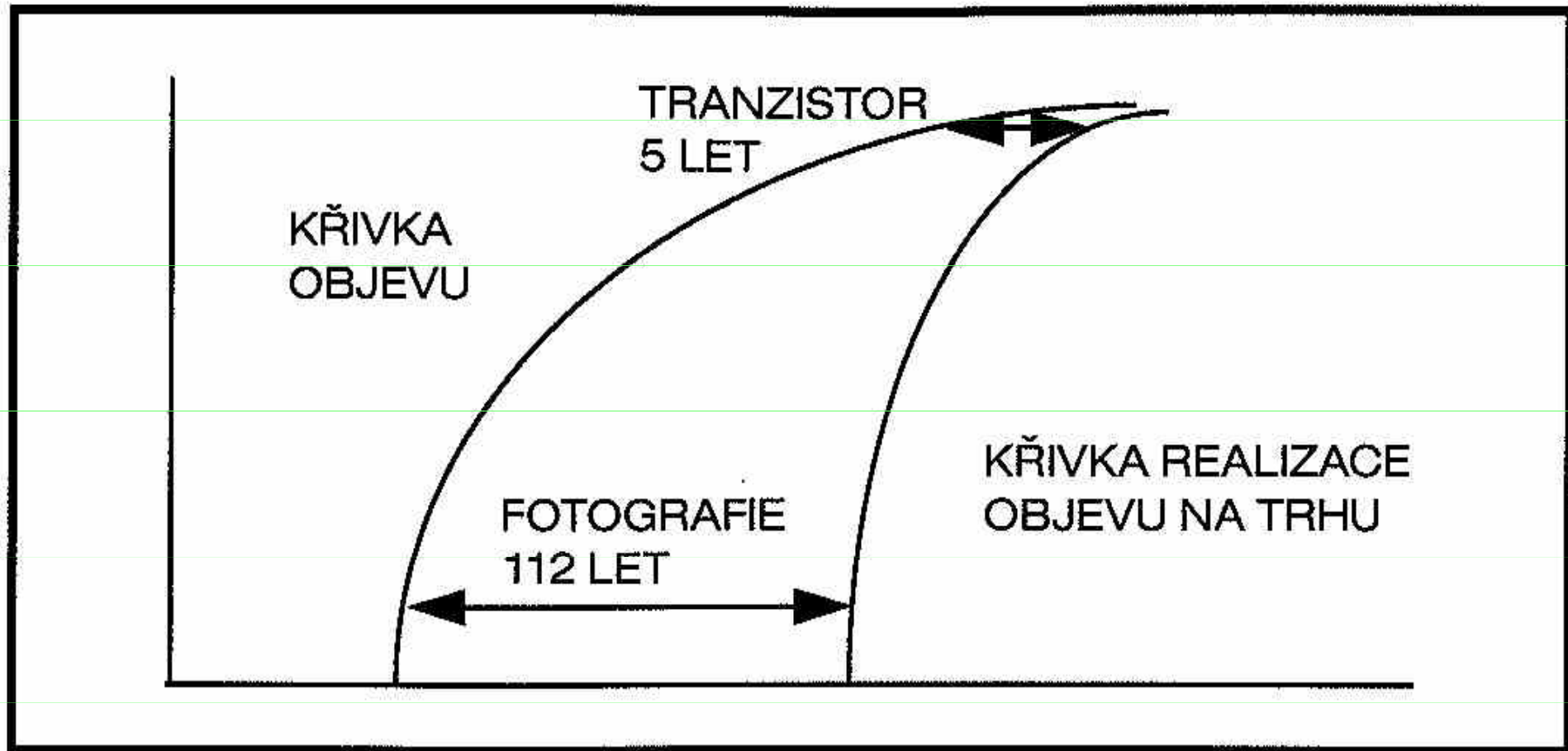
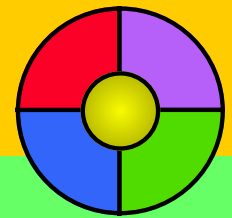


The Impact of Technology



- **Technology is the application of science to convert and economy's resources to output**
- **Technology impacts marketing both through opportunities for new products and new ways (processes) for handling marketing functions**
- **Example: consider the Internet**
 - **Products: software for computer users**
 - **Process: selling from a web site**

Technology development



Obr.: Technologický pokrok dokumentovaný na křivce objevu a křivce realizace.

The Political and Legal Environment



Legal Regulation Covers



- **Companies vs society**
- **Companies vs companies**
- **Companies vs customers**

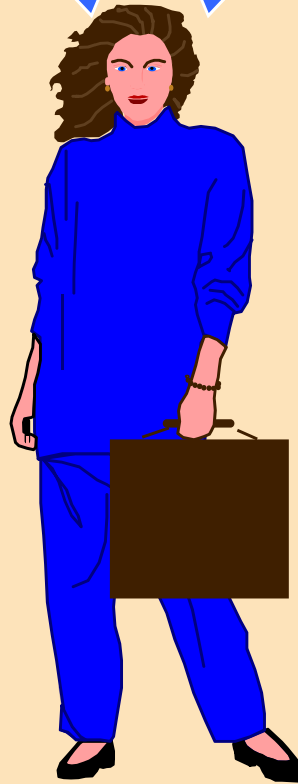
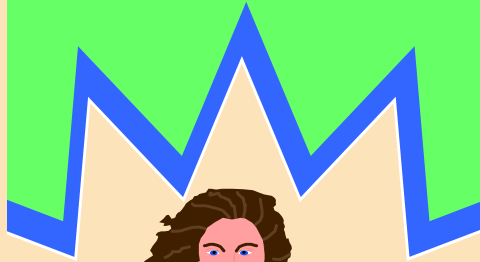
Exhibit 4-4

4-10

The Cultural and Social Environment



**Time
Poverty**



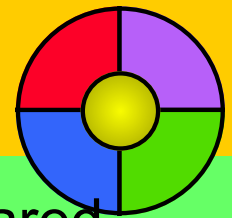
**Economic
Power**



**Career
Opportunity**

**Cultural Trend:
The Changing Roles of Women**

The Cultural and Social Environment



Czechs interested in healthy food and foodstuffs easy to be prepared

2006 change in percent compared to 2003

Children diet	+ 9
Baby formulas and milk	+ 13
Vine	+ 10
Beer	+ 3
Frozen foodstuffs	+ 2
Pizza	+ 8
Soft drinks non-sparkling	+ 21
Energy and sports drinks	+ 15
Candys and crisps	+ 1
Cereal and müsli bars	+ 10



Source: AC Nielsen

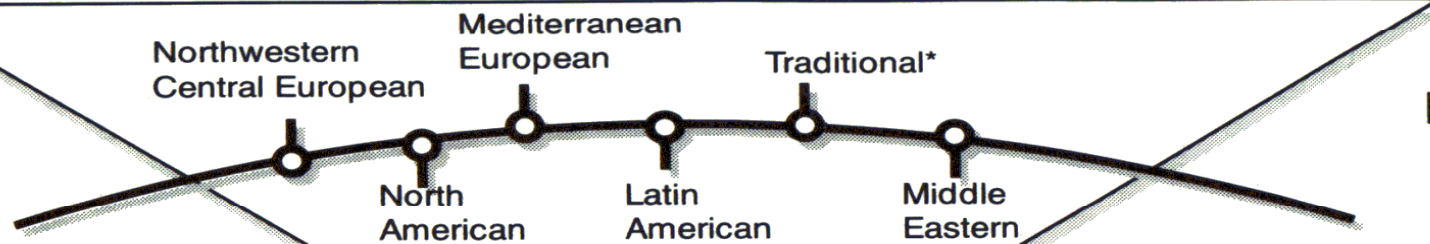
Cultural Environment: „time dimension“



Task

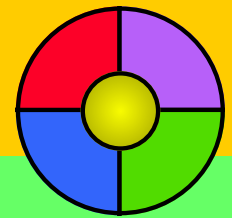


Relationship



Time

Continuum of Environmental Sensitivity



Industrial products

Basic commodity-type consumer products

Consumer products that are linked to cultural variables

Exhibit 4-8

4-16

*For use only with Perreault and McCarthy texts.
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Case study: McDonald's in Moscow



- Opened in 1990
- Dealt with the situation in Russia
- Training for all
- Raw materials adjusted to Russia
- Menus tailored to customers tastes
- Bonus: Toilets free and clean 😊😊