Part 3 - Marketing environment

- Components of marketing environment
- Analysis of microenvironment
- Analysis of macroenvironment

Marketing Environment

Includes:

- Microenvironment: actors close to the company that affect its ability to serve its customers.
 - Controled of the organization
- Macroenvironment: larger societal forces that affect the microenvironment.
 - Considered to be beyond the control of the organization (= bad & good news ☺)

Actors in the Microenvironment



The Company's Microenvironment

Suppliers:

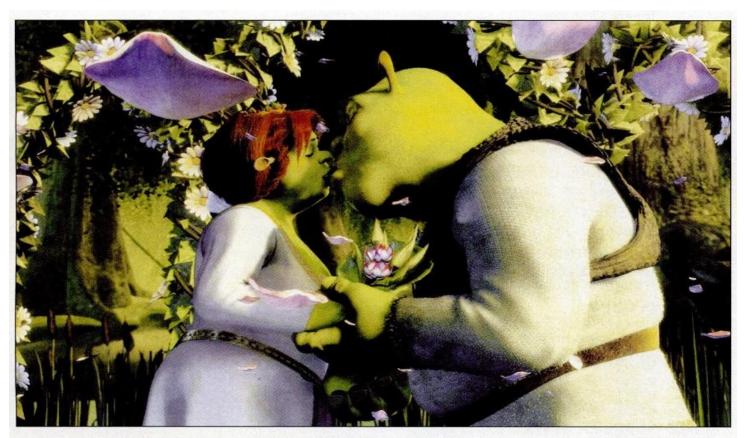
- Provide resources needed to produce goods and services.
- Important link in the "value delivery system."
- Most marketers treat suppliers like partners.



The Company's Microenvironment

- Marketing Intermediaries:
 - Help the company to promote, sell, and distribute its goods to final buyers
 - Resellers (incl. wholesalers and retailers,...)
 - Physical distribution /logistics firms (forwarding/shipping)
 - Marketing services agencies
 - Financial intermediaries

Partnering With Intermediaries



McDonald's, after ending its 10-year marketing partnership with Disney next year, will begin promoting DreamWorks films in 2007 with the release of "Shrek 3." DreamWorks also will create animated TV ads for the chain. Princess Fiona and Shrek, above, kiss in a scene from "Shrek 4-D," an attraction at Universal Studios Florida in Orlando.

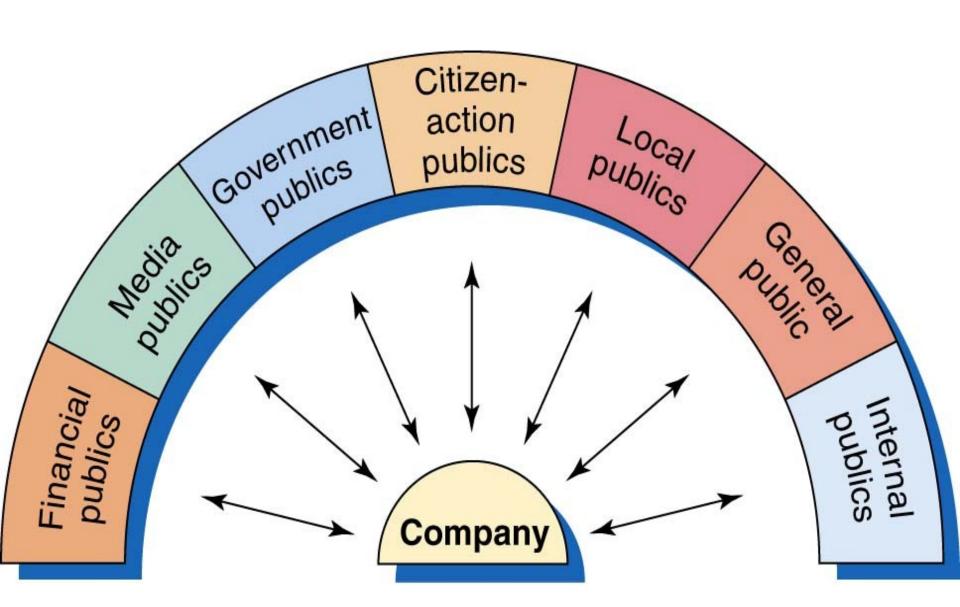
Five Types of Customers

- Consumer markets
- Business markets (B to B)
- Reseller markets
- Government markets
- International markets

Competitors

- Must understand competitor's strengths
- Must differentiate firm's products and offerings from those of competitors
- Competitive strategies should emphasize firm's distinctive competitive advantage in marketplace

Types of Publics



The Macroenvironment

 The company and all of the other actors operate in a larger macroenvironment of forces that shape opportunities and pose threats to the company.

Case study: McDonald's in Moscow – good understanding of the environment



- Opened in 1990
- Dealt with the situation in Russia
- Training for all staff
- Raw materials adjusted to Russia (wheat, milk)
- No repatriation of profits (investment in R)
- Menus tailored to customers tastes

Major areas of the external market environment

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

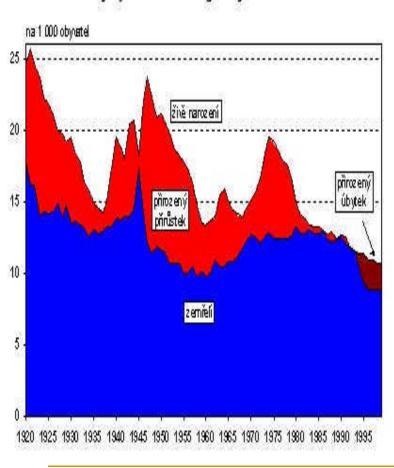
1) Demographic environment

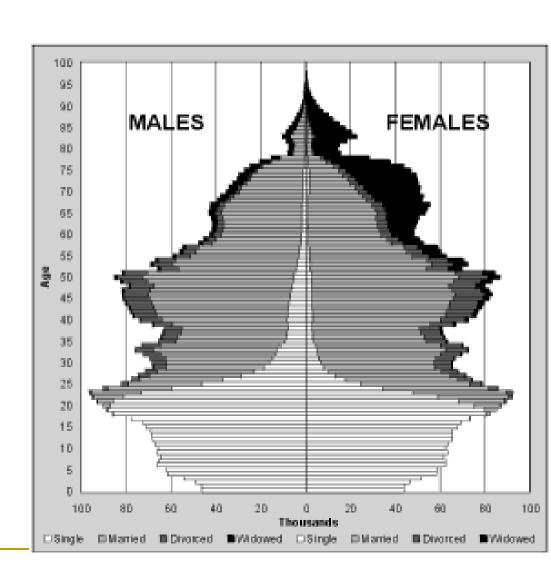
- Birth/death rate/grow of population
- Age structure
- Minorities/ethnic markets
- Rural/urban inhabitation/migration
- Types of households
- Education

SNB sings about €

Demographic development

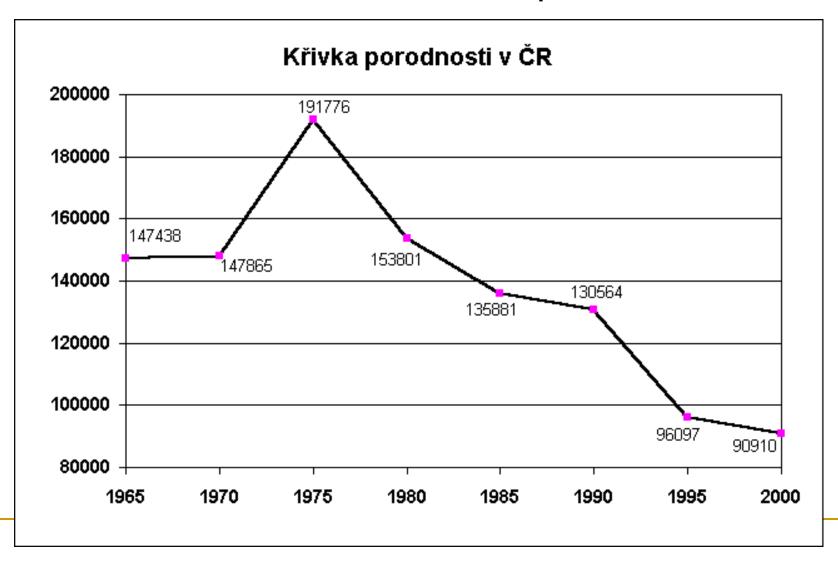
Vývoj základních demografických ukazatelů





Demographic development II

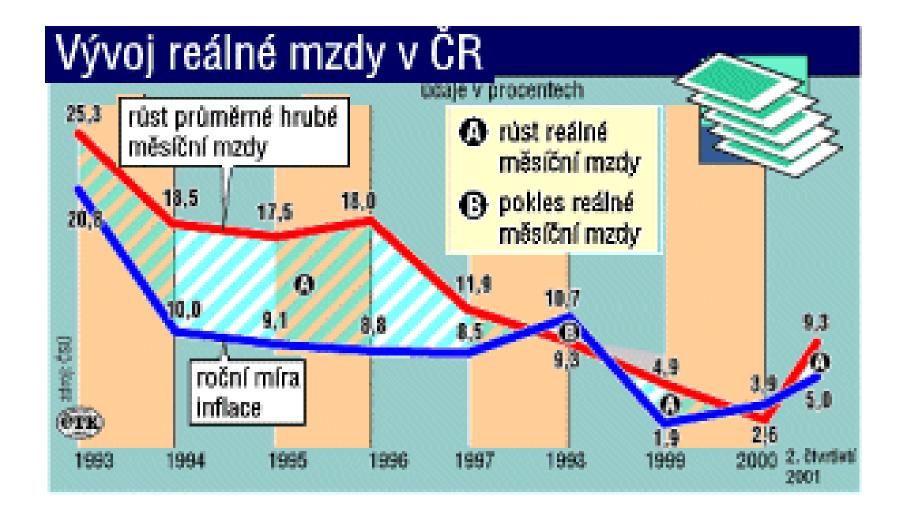
Birth rate curve in the Czech Republic



2) Economic Factors

- Inflation
- Employment
- Business cycles
- Energy availability and cost
- Disposable income/distribution of incomes
- Savings/loans

Real Income in CZ



Vývoj hypoték, úvěrů a prodeje aut



Jak hospodaří české domácnosti (průměrné rřijmy, výdaje a úspory za měsíc v korrnách)

	01-06/2003	01-06/2004	Změna
■ Příjmy	19 720	20 410	+ 3,5 %
■ Výdaje	17 970	18 350	+ 2,1 %
■ Úspory	1750	2060	+ 17,7 %

Domácnosti utratí více za

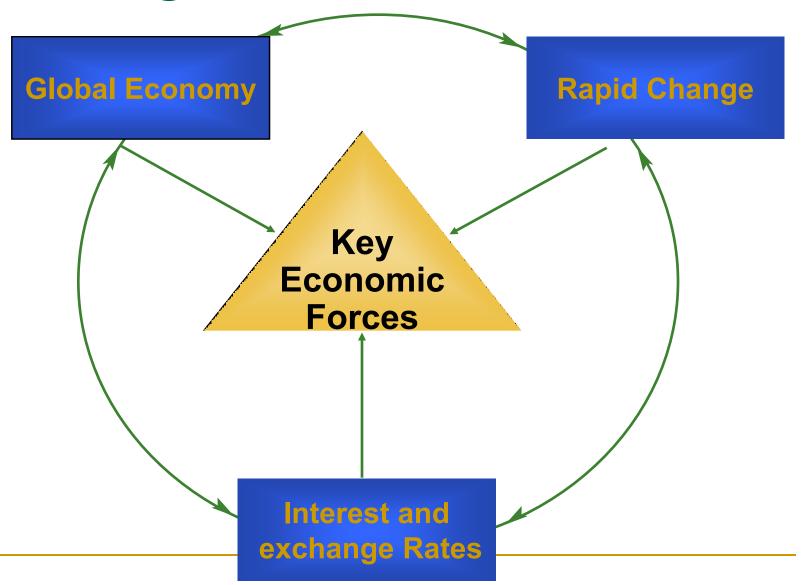
bydlení a energie, potraviny, nápoje, tabák, pojištění, splátky hypoték, telefonování

Domácnosti utratí méně za

oblečení, obuv, vybavení bytu a zařízení domácnosti

Pozn.: údeje pro průměrnou domácnost, které má 2,8 členů, z toho 1,6 ekonomieky ektivních osob a ledno dítě Premen: MPSV

The Economic and Technological Environment



3) Political/legal

- Monopolies legislation
- Environmental protection laws
- Taxation policy
- Employment laws
- Government policy
- Legislation

Legal Regulation Covers

- Companies vs society
- Companies vs companies
- Companies vs customers "Consumer protection policy 2006 - 2010" (including ecommerce trading, non-court settlements, personal data protection,…

4) Technological

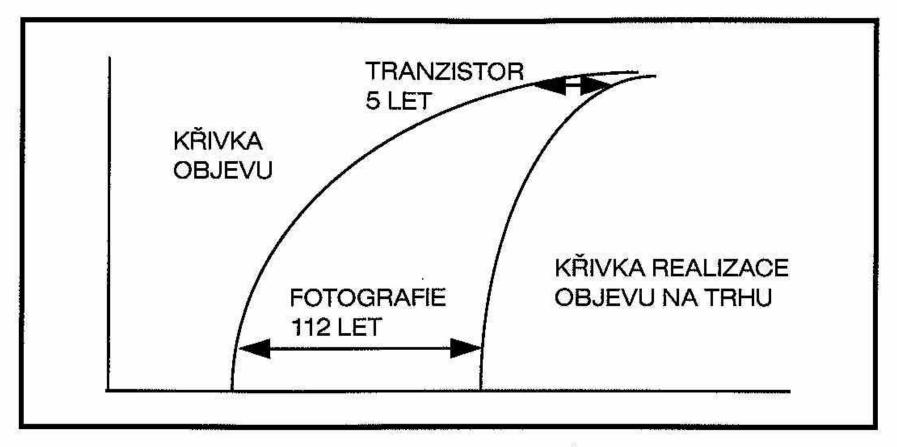
- New discoveries and innovations
- Speed of technology transfer
- Rates of obsolescence
- Internet
- Information technology

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

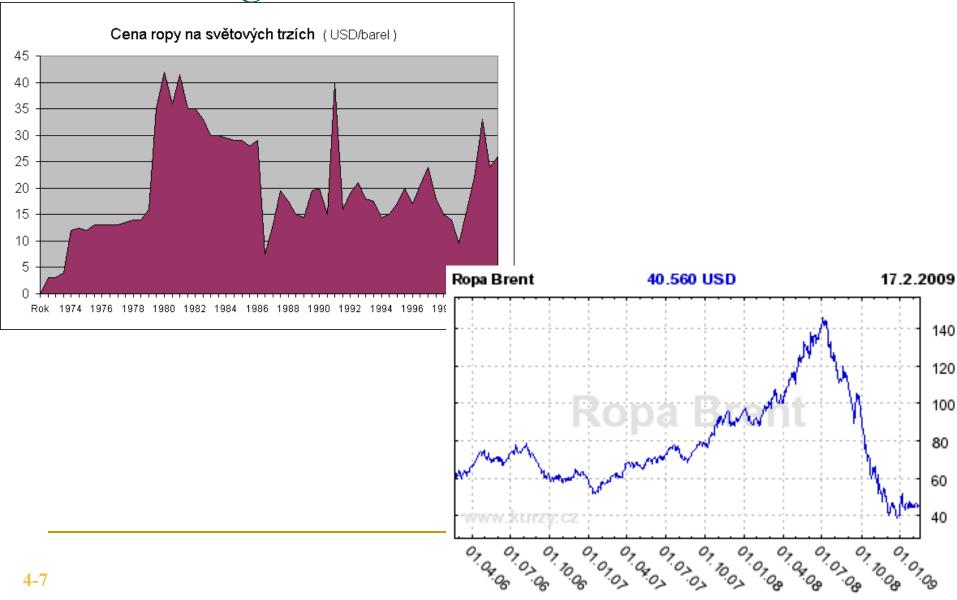
Technology development

Curve of invention x marketing curve



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

5) The Economic vs Natural vs Technological Environment



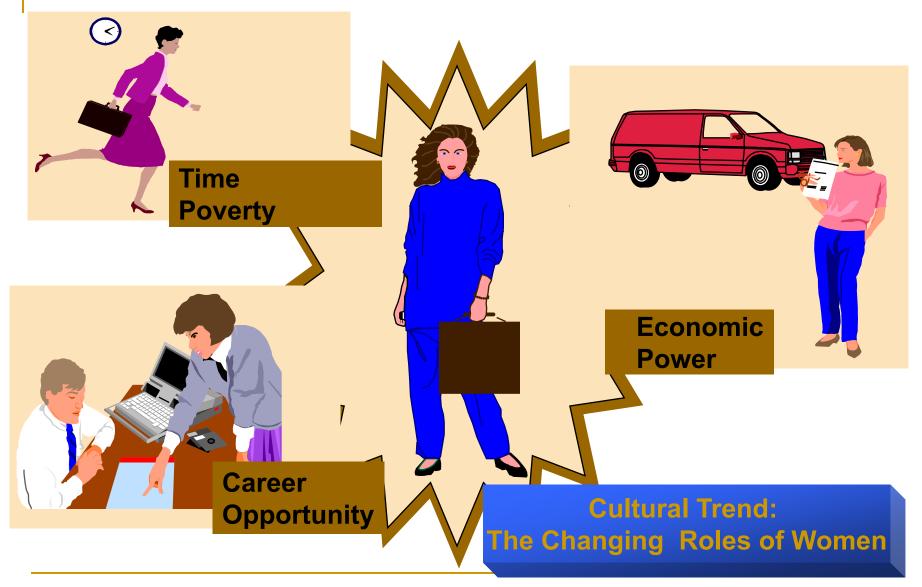
6) Sociocultural factors

- Perception of people (relation to others, relations to the society,...)
- Culture values/subcultures
- Religion
- Social mobility
- Lifestyle changes





The Cultural and Social Environment



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"

