

Chapter 5

Analyzing the marketing environment

A couple of things

- Group project teams
 - Deadline to form teams is this week
- Deadline to request alternative to research studies
- Project idea

- Mission statement (organization's "purpose") drives your marketing strategy.
- Marketing tactics (**HOW** you execute) = your **MARKETING MIX** (4P's)
 - **Product**
 - **Price**
 - **Promo**
 - **Placement**

Yes, a great **PRODUCT** is vitally important to running a great business... but **PRICE** sensitivity by your customers, for example, may drive certain decisions about how you optimize your **PRODUCT**. So the 4P's should be considered **as a whole**

Digital Marketing – an increasingly important component of your marketing mix

Ethics - Ethical decisions are not always black and white

- Outline how the company, competitors, and corporate partners affect marketing strategy
- Explain why marketers must consider their macroenvironment when they make decisions
- Describe the differences among the various generational cohorts
- Identify various social trends that affect marketing

Netflix evolution over time

Netflix revolutionized how we watch movies and TV shows

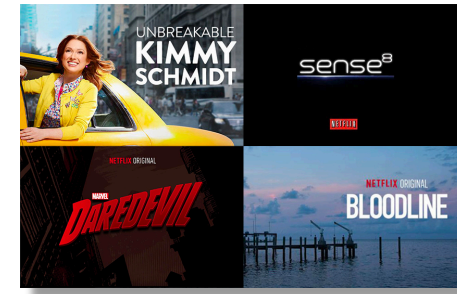
1997



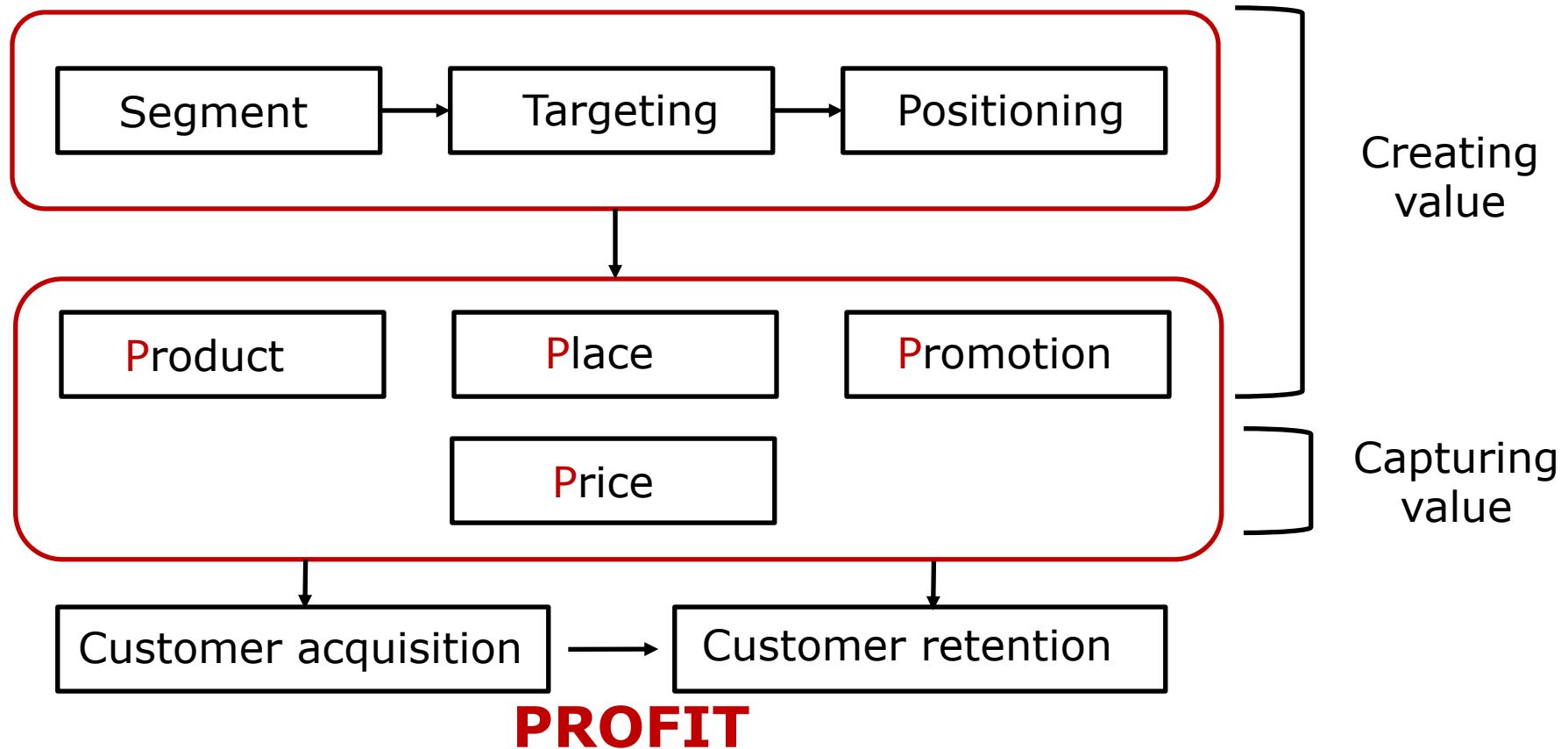
2007



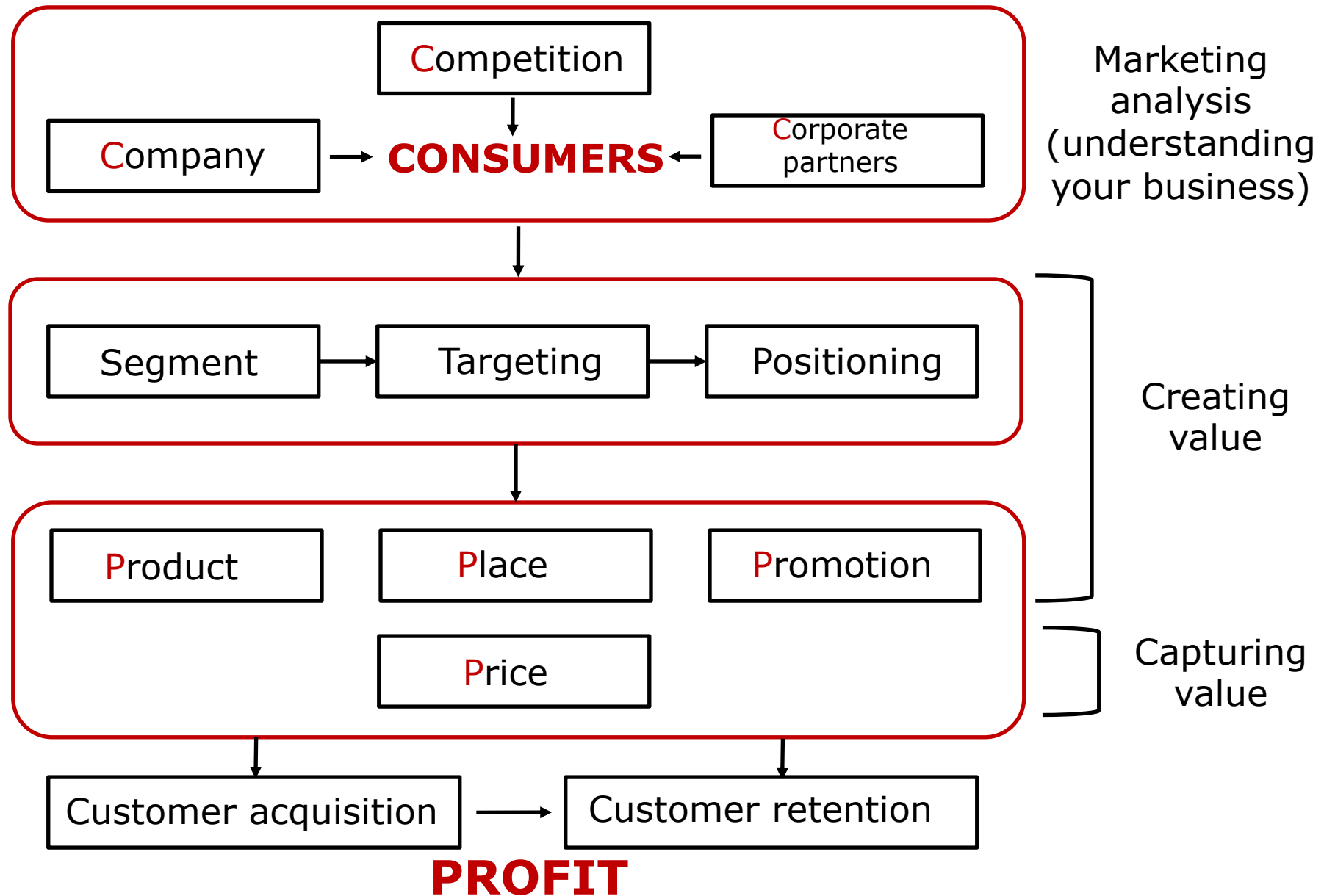
Today



The big picture

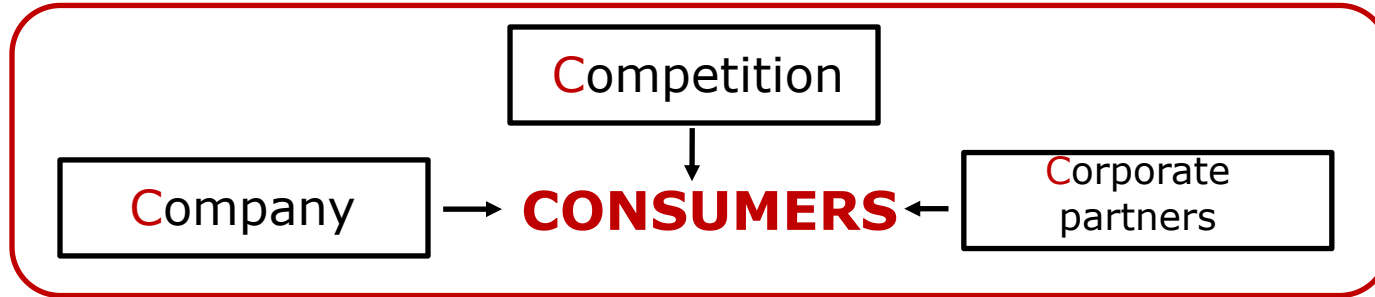


The big picture



The big picture

**Immediate
environment**

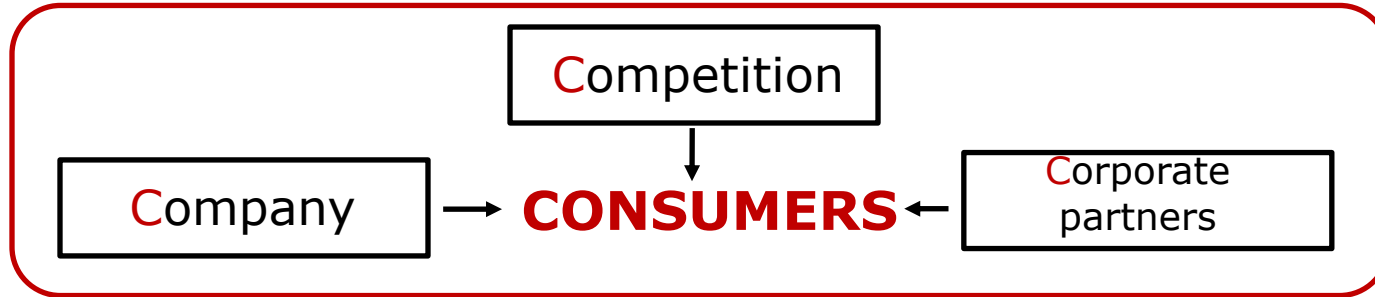


Marketing
analysis
(understanding
your business)

The big picture

**Immediate
environment**

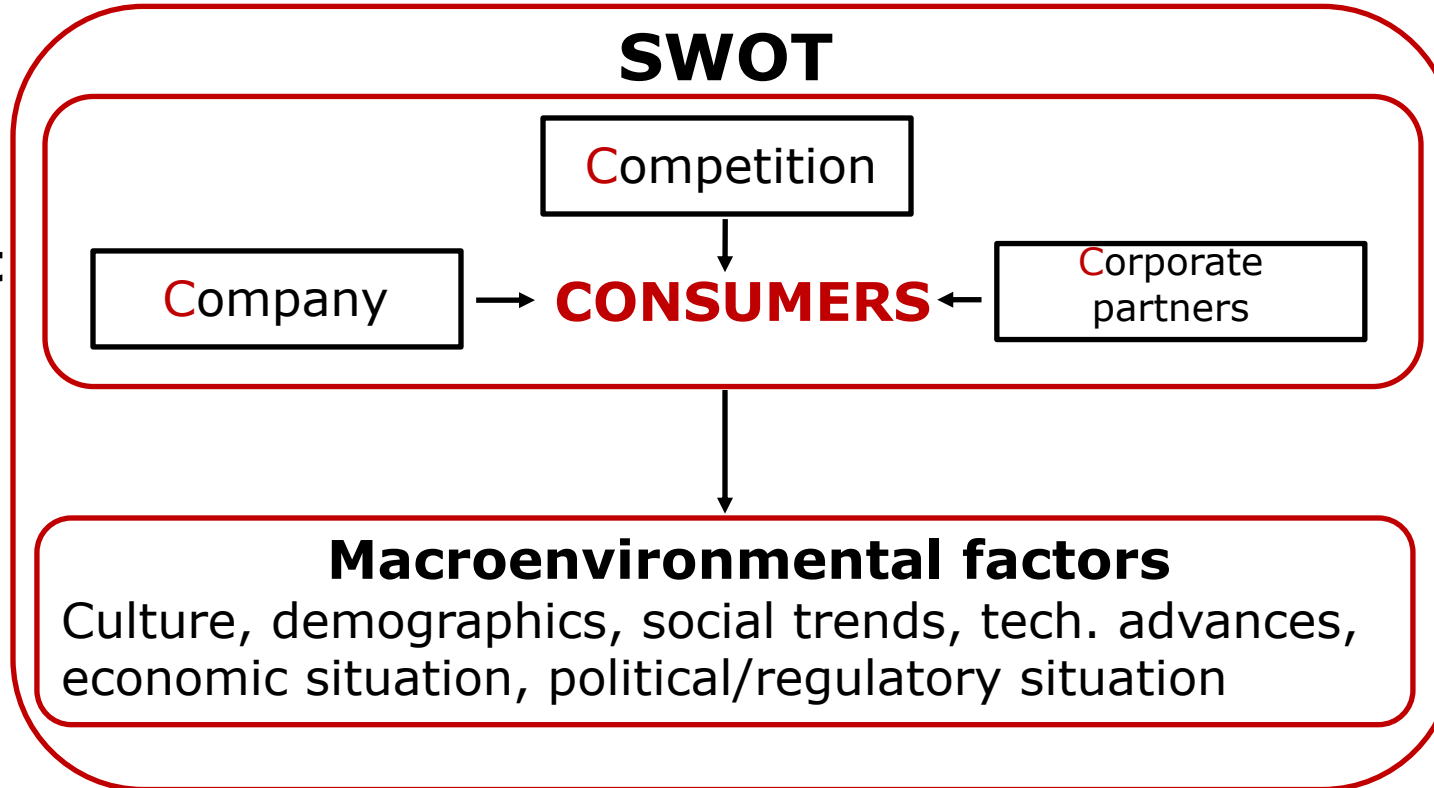
SWOT



Marketing
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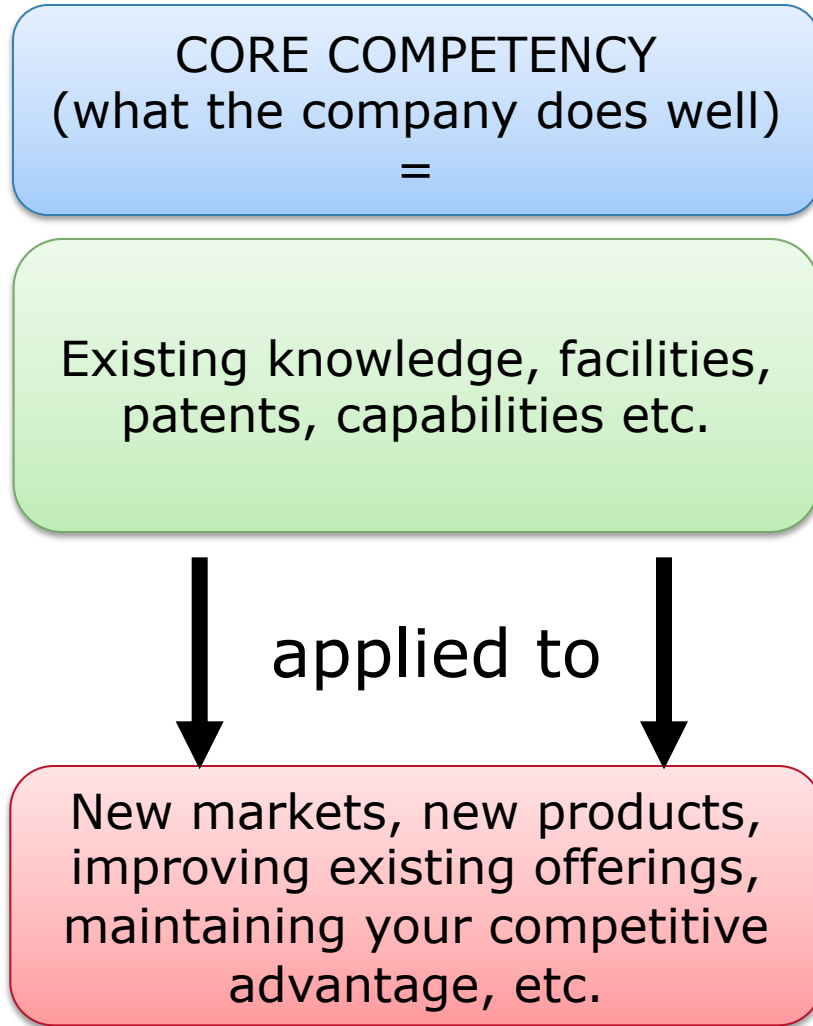
The big picture

Immediate environment

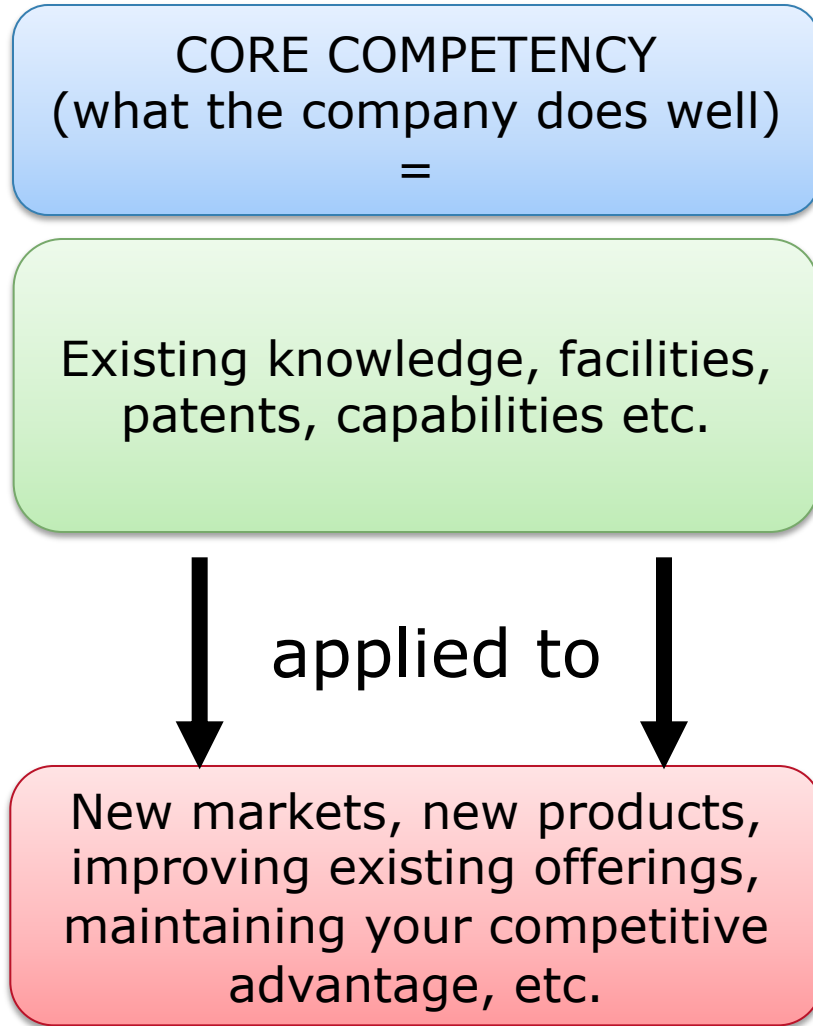


Marketing analysis
(understanding your business)

Company



Company



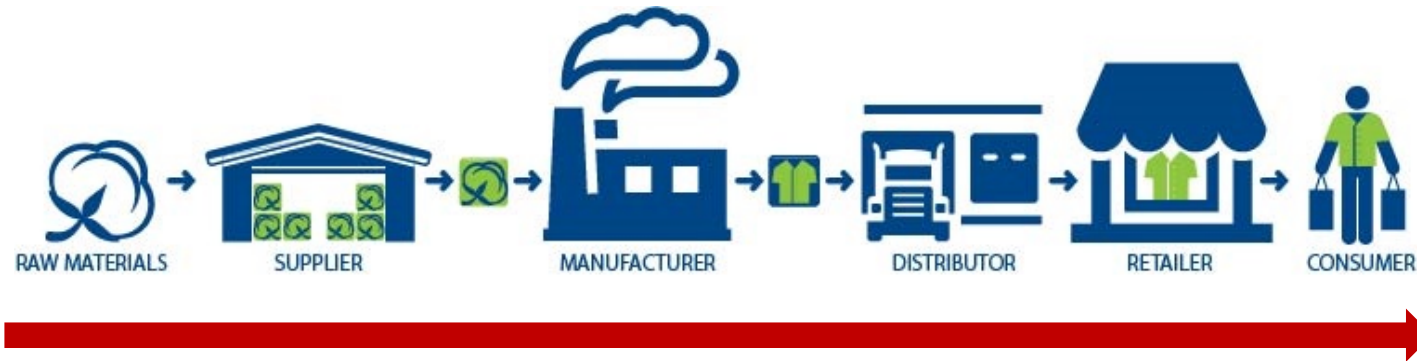
- Identify your competitors
- You must know their strengths & weaknesses (SWOT)
- Proactive rather than reactive strategy
 - Gather publicly-available information about your competition
 - But avoid illegal actions!

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- Figure out how to keep consumers engaged with your brand (loyalty)
- Coca Cola Super Bowl Ad example
 - <https://www.youtube.com/watch?v=gvp28D6m7iQ>

Corporate Partners

- Firms are part of alliances
- Align with competitors, suppliers, etc.
- For example: have you partnered with the right firms for effective management of your logistics systems??
 - E.g., have the right stock -- more about this in chapters 15-16



Macroenvironmental factors: Culture

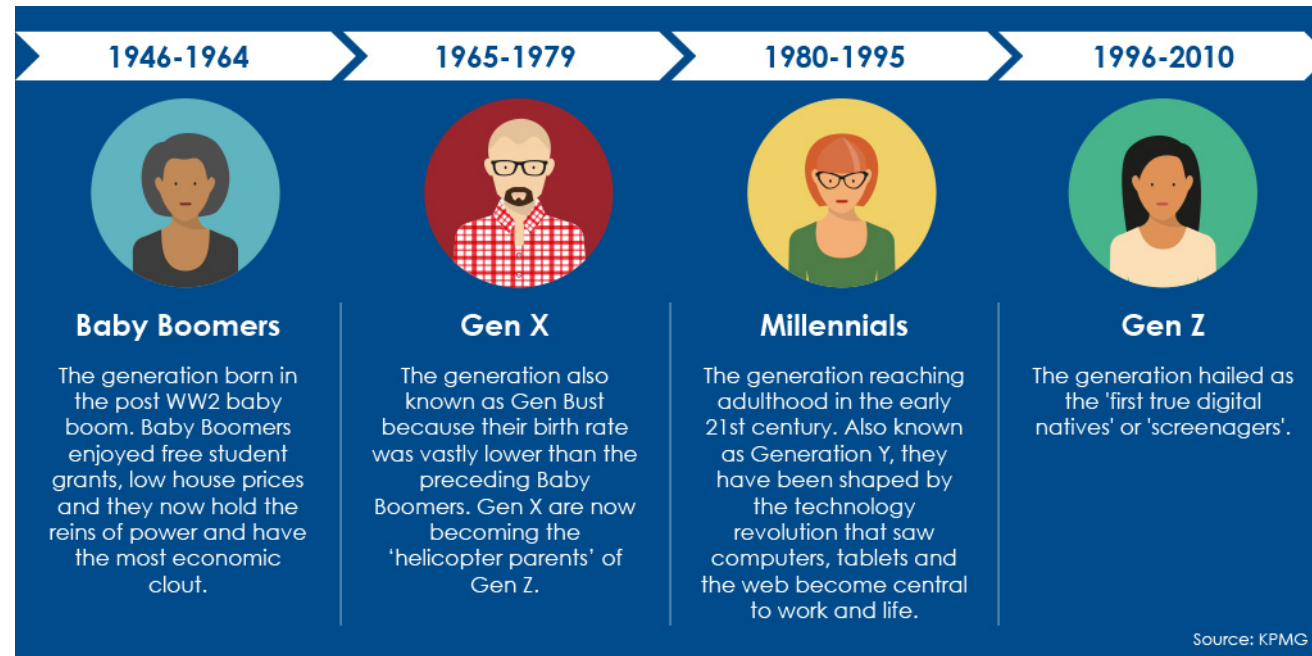




Can Emerging Markets Tilt Global Product Design? Impacts of Chinese Colorism on Hollywood Castings

We investigate whether the economic rise of emerging markets may have begun to impact the typical “one-size-fits-all” design of many international product categories. Focusing on Hollywood films, and exploiting a recent relaxation of China’s foreign film importation policy, we provide evidence suggesting that these impacts may exist and be non-negligible. In particular, **we show that the Chinese society’s aesthetic preference for lighter skin can be linked to the more frequent casting of pale-skinned stars in films targeting the Chinese market.** Implications for the design of international products are drawn.

Provides an easily understood snapshot of the typical consumer in a specific target market



How do these generations differ?

Health and Wellness
Concerns

Greener consumers

Privacy concerns

Health and Wellness Concerns

McDonald - <https://www.youtube.com/watch?v=-c-OTfRgJtY>

Greener consumers

<https://www.youtube.com/watch?v=r0iDIFVkrLE>

Consumers are becoming concerned about how firms use their data

- Firms are making a lot of effort to be as transparent as possible about data usage, e.g., Facebook

Privacy concerns



Technology has impacted every aspect of marketing

- New products
- New forms of communication
- New retail channels

Foreign currency
fluctuations



Combined with inflation
and interest rates affect
firms' ability to market
goods and services

Competitive practice and trade legislation

Lately we have seen many companies being targeted by policymakers

- Airbnb
- Uber

Marketing analysis

- Immediate environment
 - Company, Competitors, and Corporate partners
- Affected by key macroenvironmental factors
 - Culture, demographics, social issues, technological advances, economic situation, and political/regulatory environment

Some social trends shaping consumer values and shopping behavior

- Health, Green, Privacy

1. What are the components of the immediate environment?
2. Name three macroenvironmental factors