

# Chapter 5

## **Analyzing the marketing environment**

# A couple of things

- Two deadlines this week:
  1. Group project teams
  2. Request alternate project instead of doing the research studies
- Friday's ELC exercise will be in the ELC (lower level of Fertitta)
- Because we have ELC, there is no marketing in the news this week

# What we discussed so far

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

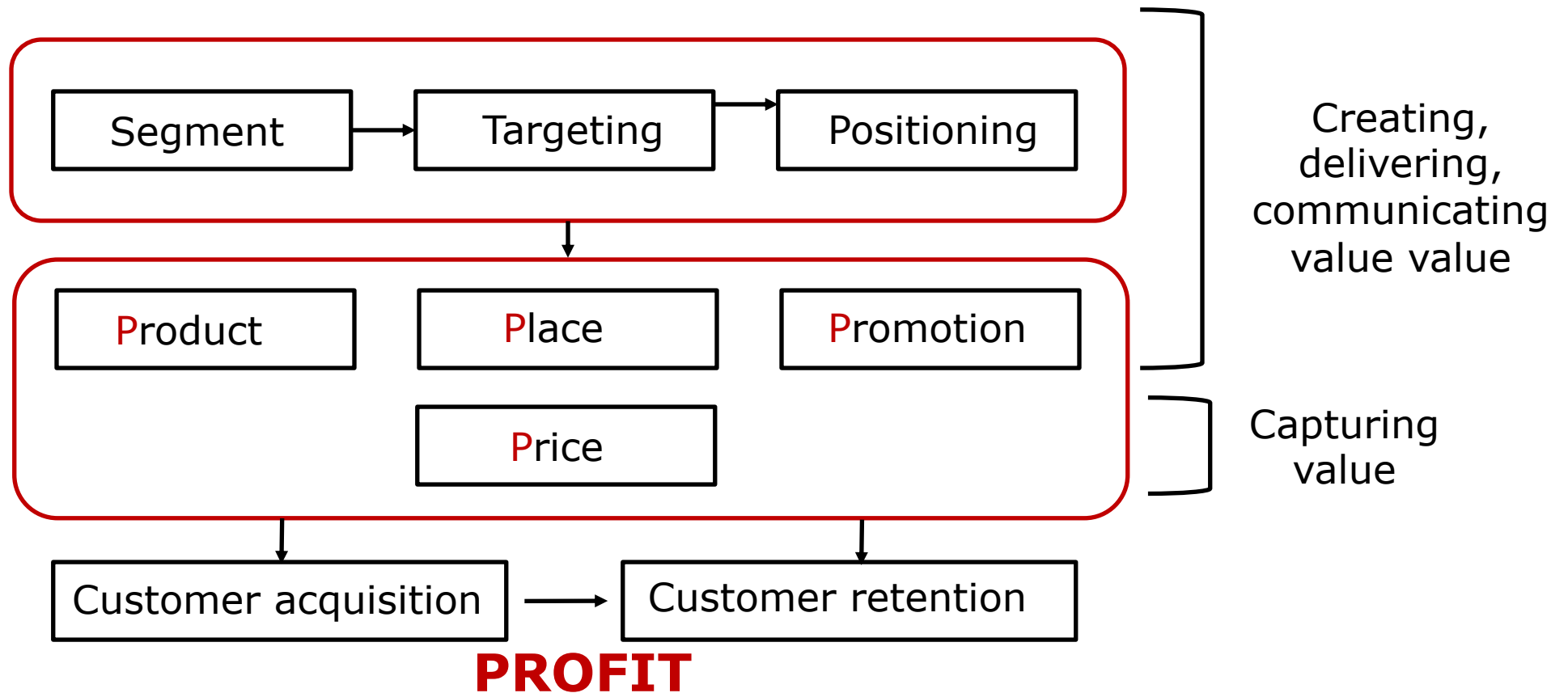
Yes, a great **PRODUCT** is vitally important to running a great business... but **PRICE** sensitivity by your customers, for example, may drive certain decisions about how you optimize your **PRODUCT**. Therefore, the 4P's should be considered **as a whole**

**Digital Marketing** – an increasingly important component of your marketing mix

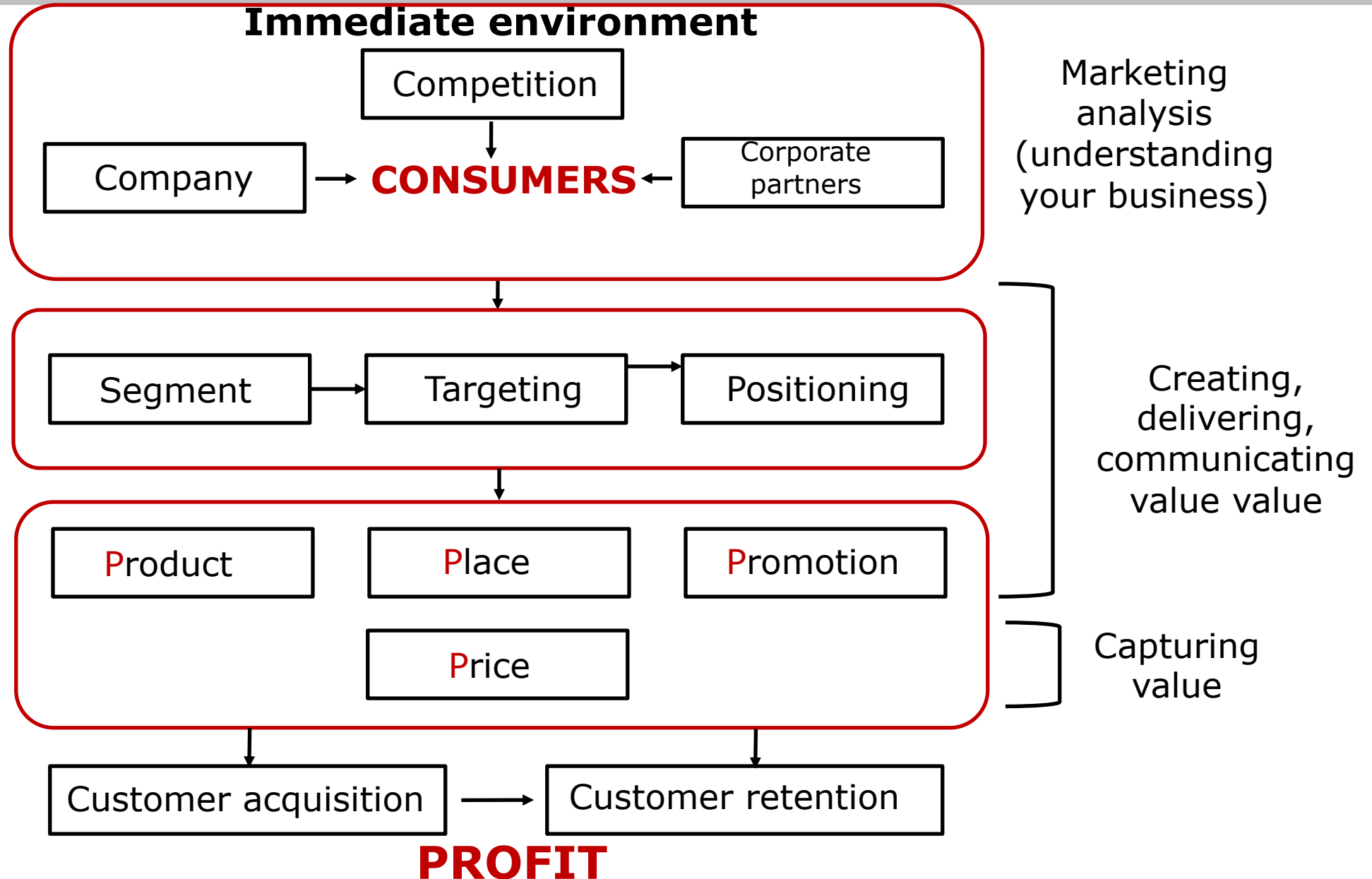
**Ethics** - Ethical decisions are not always black and white

- Outline how the company, competitors, and corporate partners affect marketing strategy
- Explain why marketers must consider their macroenvironment when they make decisions
  - Identify various social trends that affect marketing
  - Examine the technological advances that are affecting marketing

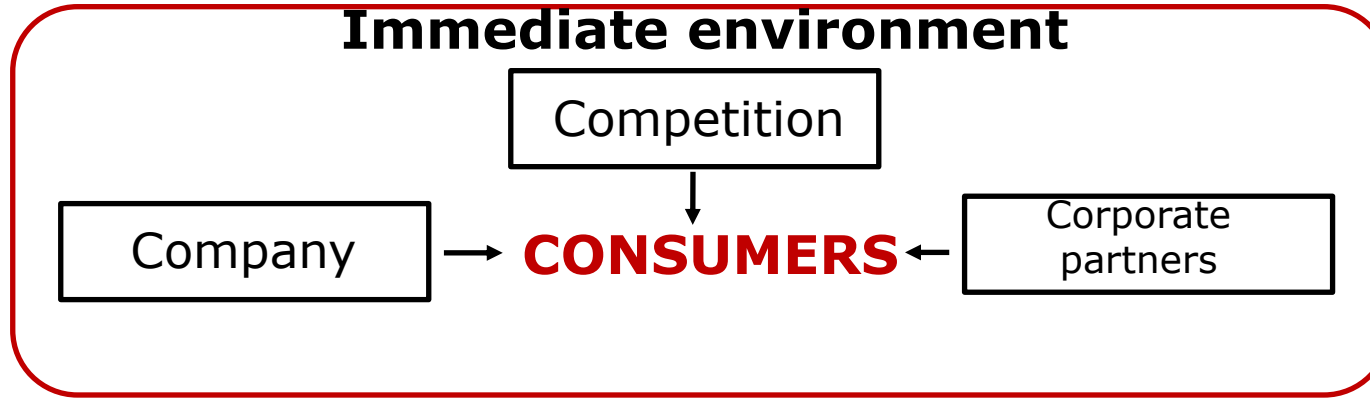
# The big picture



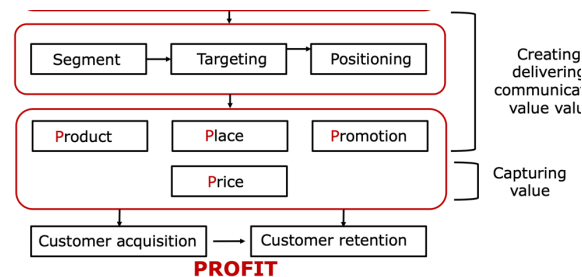
# The big picture



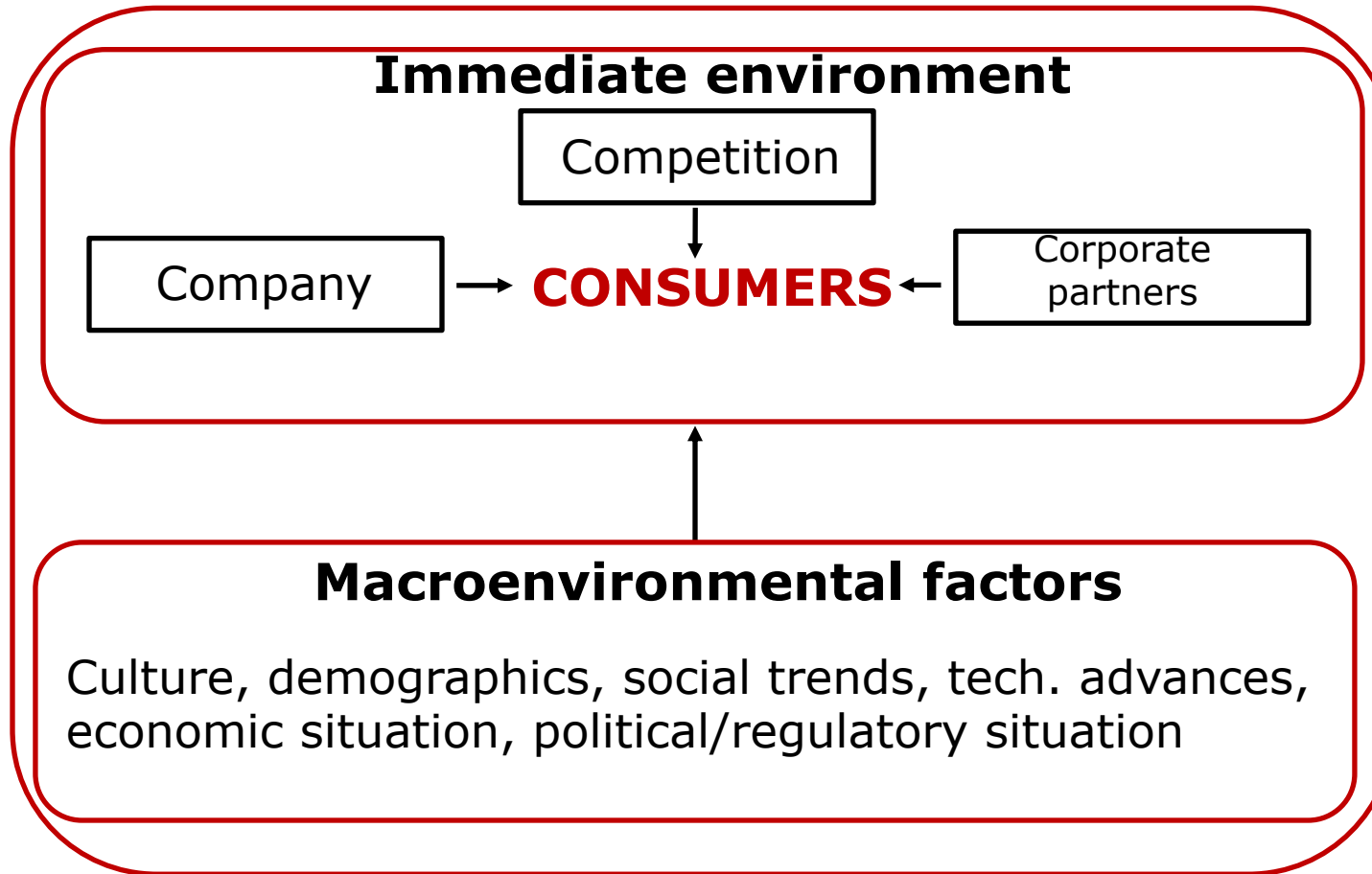
# The big picture



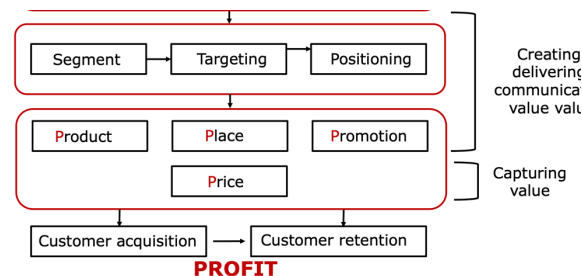
Marketing  
analysis  
(understanding  
your business)



# The big picture



**Marketing  
analysis  
(understanding  
your business)**





- Successful firms focus on **satisfying customer needs**
- Successful firms **adapt to changes and evolve**
  - New markets, new products, improving existing offerings, maintaining your competitive advantage, etc.

# Immediate environment: Company

- Successful firms focus on **satisfying customer needs**
- Successful firms **adapt to changes and evolve**
  - New markets, new products, improving existing offerings, maintaining your competitive advantage, etc.

Netflix revolutionized how we watch movies and TV shows

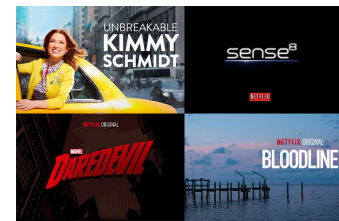
**1997**



**2007**



**2012**



**Today**



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

# Immediate environment: Corporate Partners

- Firms are part of alliances
- Align with suppliers
- 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

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# Can Emerging Markets Tilt Global Product Design?

China has maintained stringent restrictions on foreign film importation, but this policy was relaxed in 2012

What does this mean?

- That after 2012 many more foreign movies could be imported into the Chinese market
- The Chinese market suddenly became more important for movie producers





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

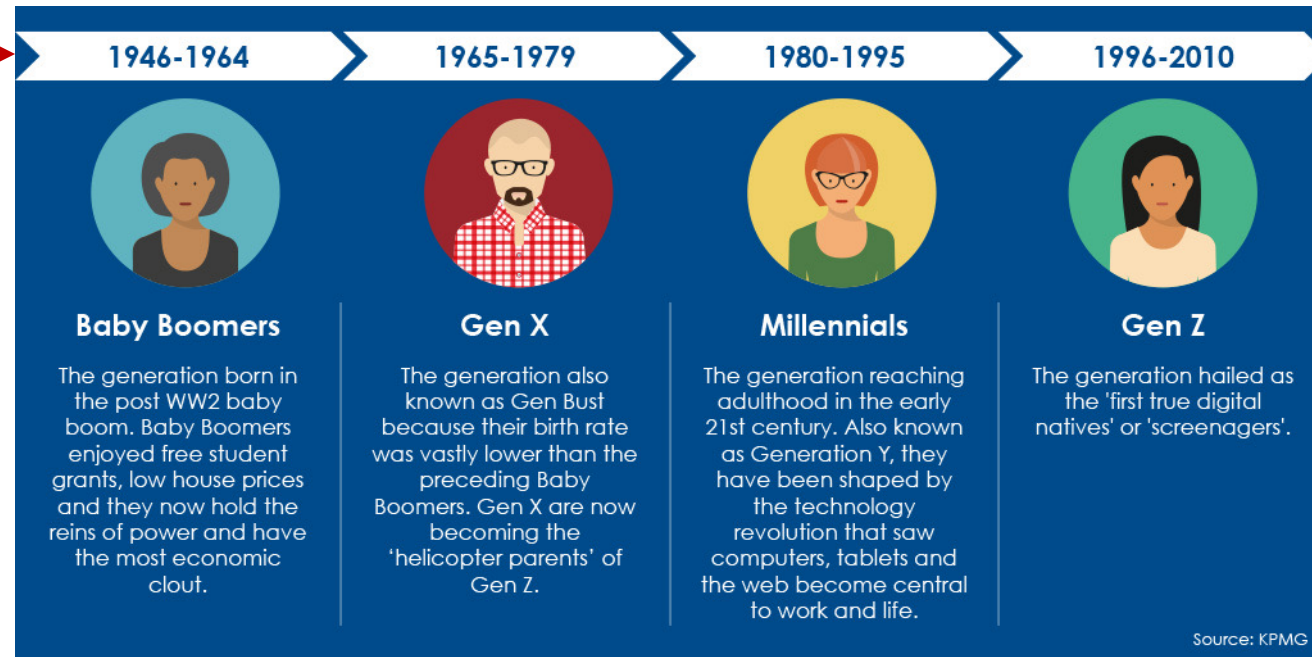
We investigate whether the economic rise of emerging markets may have begun to impact the typical “one-size-fits-all” design of many international product categories. Focusing on Hollywood films, and exploiting a recent relaxation of China’s foreign film importation policy, we provide evidence suggesting 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.

[https://mpra.ub.uni-muenchen.de/82040/1/MPRA\\_paper\\_82040.pdf](https://mpra.ub.uni-muenchen.de/82040/1/MPRA_paper_82040.pdf)



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

Born during →



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

DOMINOS:

<https://www.fastcompany.com/90784557/this-new-dominos-box-settles-the-argument-of-whether-or-not-you-can-recycle-it>

NIKE

<https://www.eventige.com/blog/nike-sustainability-efforts>

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, Apple

Privacy concerns

# Macroenvironmental factors: Technological Advances



Technology has impacted every aspect of marketing

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

# Macroenvironmental factors: Economics

Foreign currency  
fluctuations  
(very relevant today)



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

- Competitive practices and trade legislations
- Lately we have seen many companies being targeted by policymakers
  - Airbnb
  - Uber/Lyft
  - Apple
  - Google
  - Facebook

## **Ireland Fines Instagram \$400M for Violating Child Privacy Policies**

Parent company Meta is appealing the ruling, which found the social media site published private phone numbers and email addresses of underage users.



## 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, Environment, Privacy