

Session 2

Environment and Opportunities

Text: Chapter 3

- I. The Company's
Microenvironment**
- II. The Company's
Macroenvironment**
- III. Responding to the
Marketing Environment**

Difference of Two Types of Environment

2-3

Microenvironment: the task environment closest to the organization in which staff from one organization interact with staff from others in the context of business relationships.

Macroenvironment: the general, remote environment that indirectly affect the organization's trading operation.



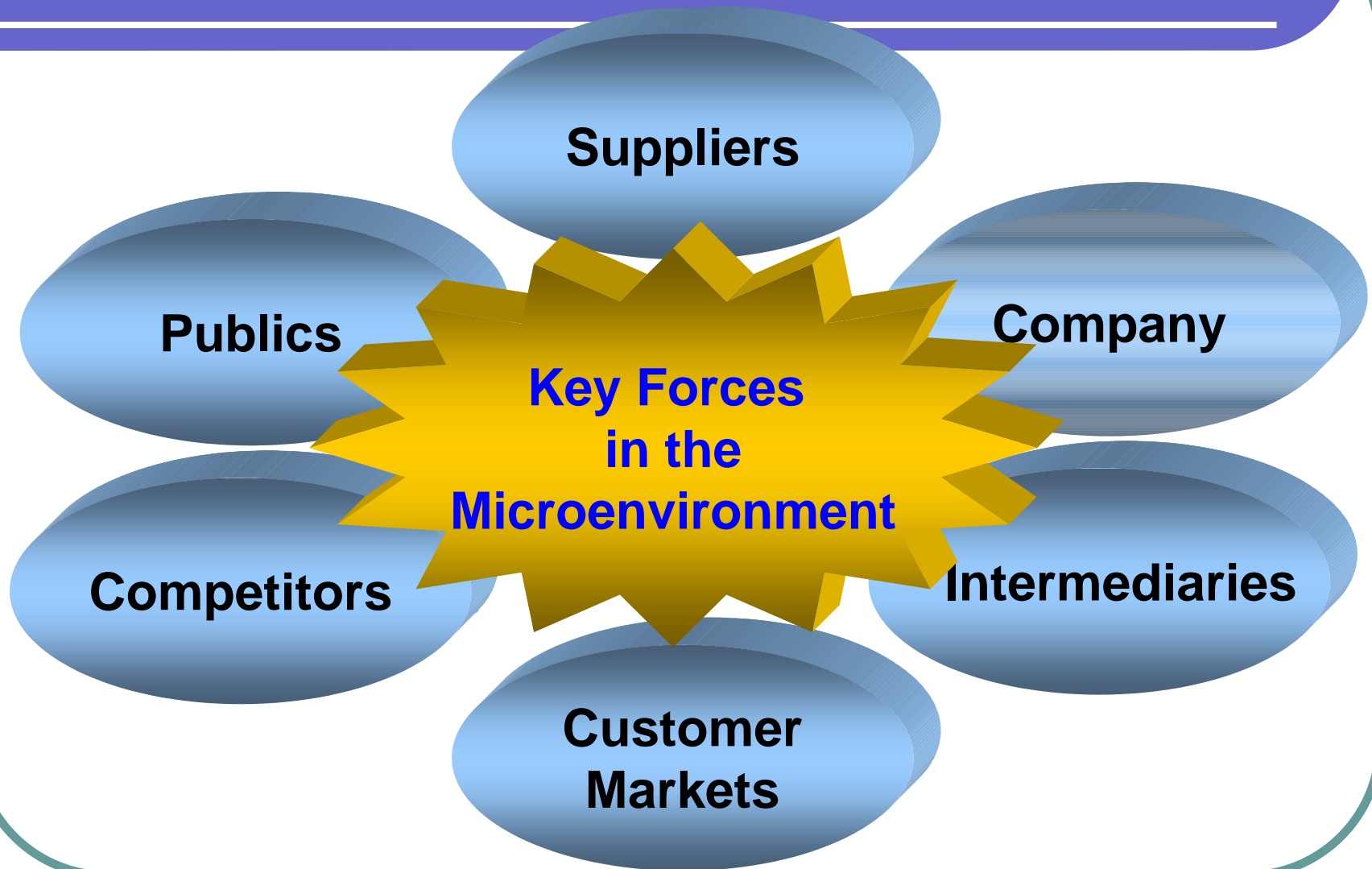
- The microenvironment changes more rapidly
- More complex
- More immediately important

I. The Company's Microenvironment



The Microenvironment

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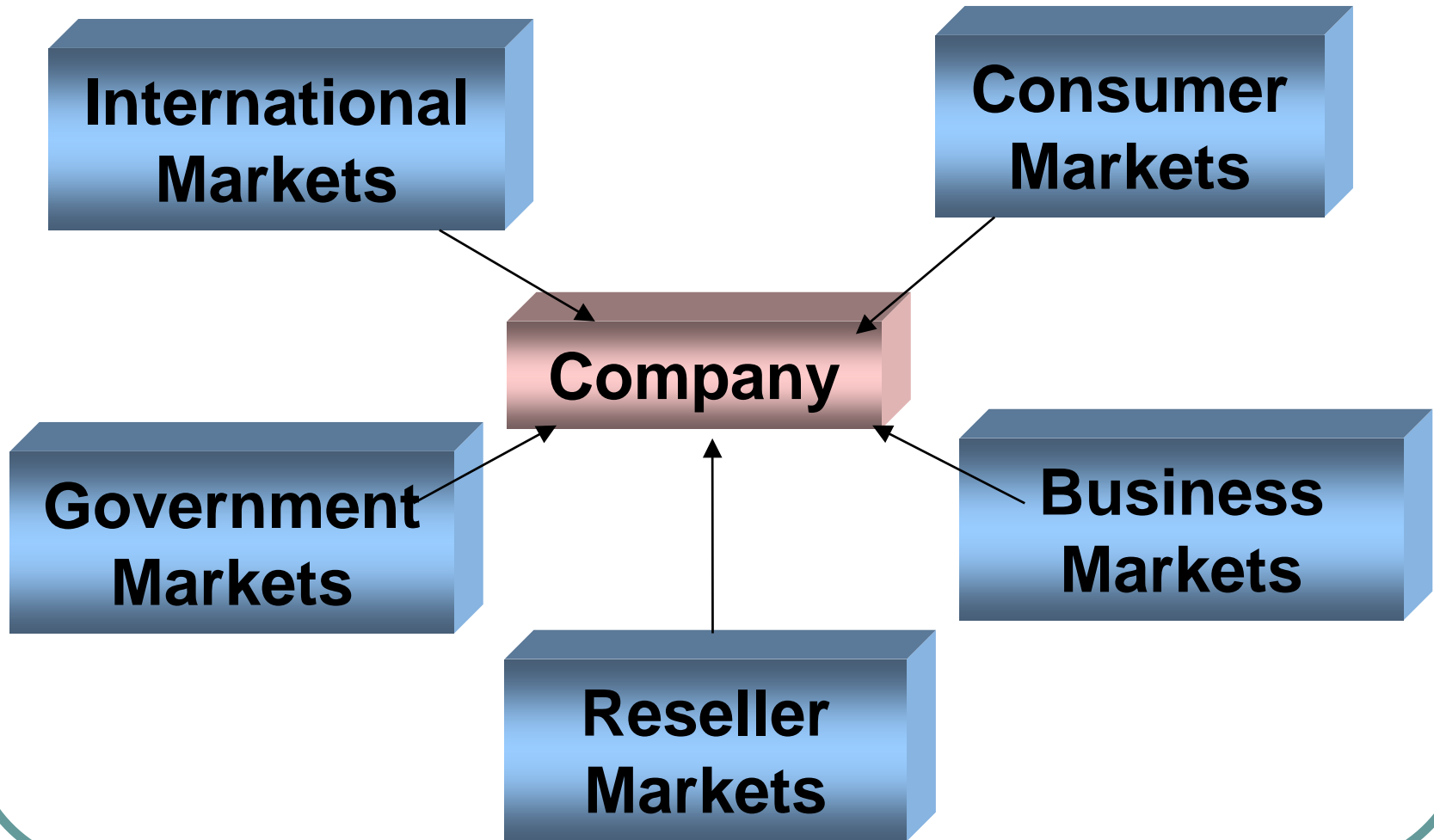
Internal Environment

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Customer Markets

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Types of Publics

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- **Internal**
- **General**
- **Local**
- **Citizen Action**
- **Government**
- **Media**

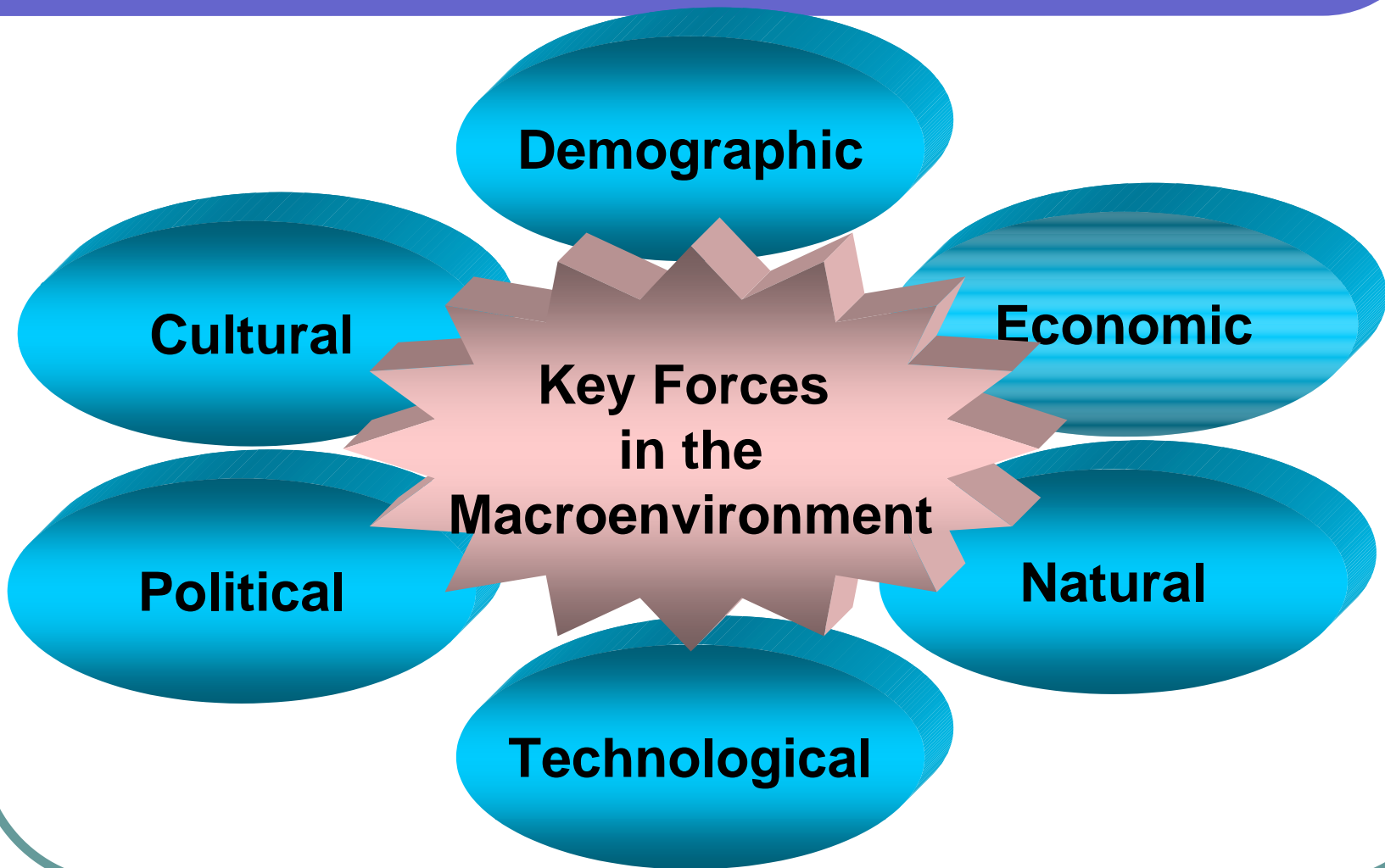


II. The Company's Macroenvironment



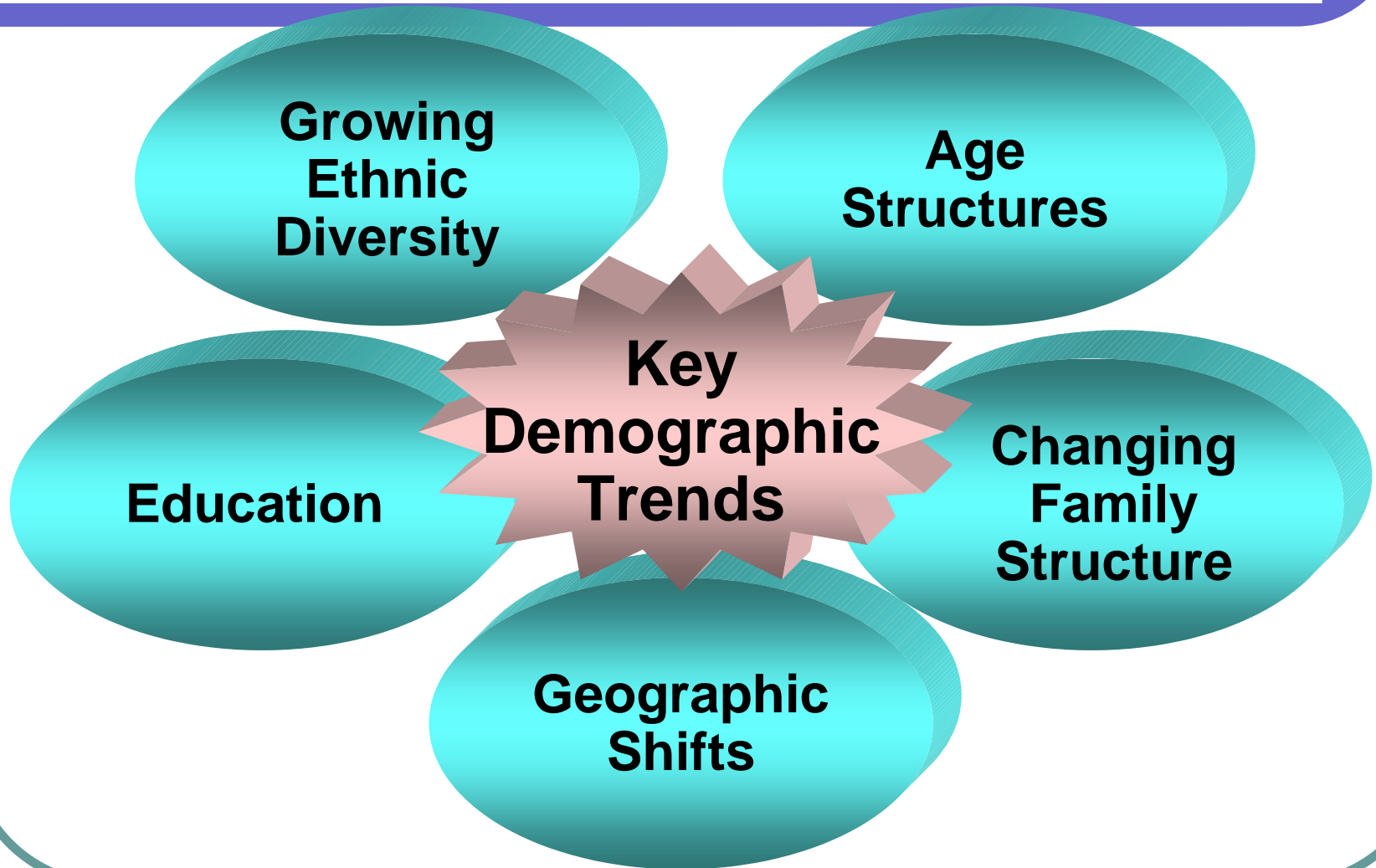
The Macroenvironment

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Demographic Environment

2-11



Demographic Environment

2-12

- 1. World population explodes;**
- 2. Aged people increase in the population;**
- 3. Ethnic structure is considered;**
- 4. Education degree improves;**
- 5. Home structure changes;**
- 6. Geographic movement of population becomes obvious**

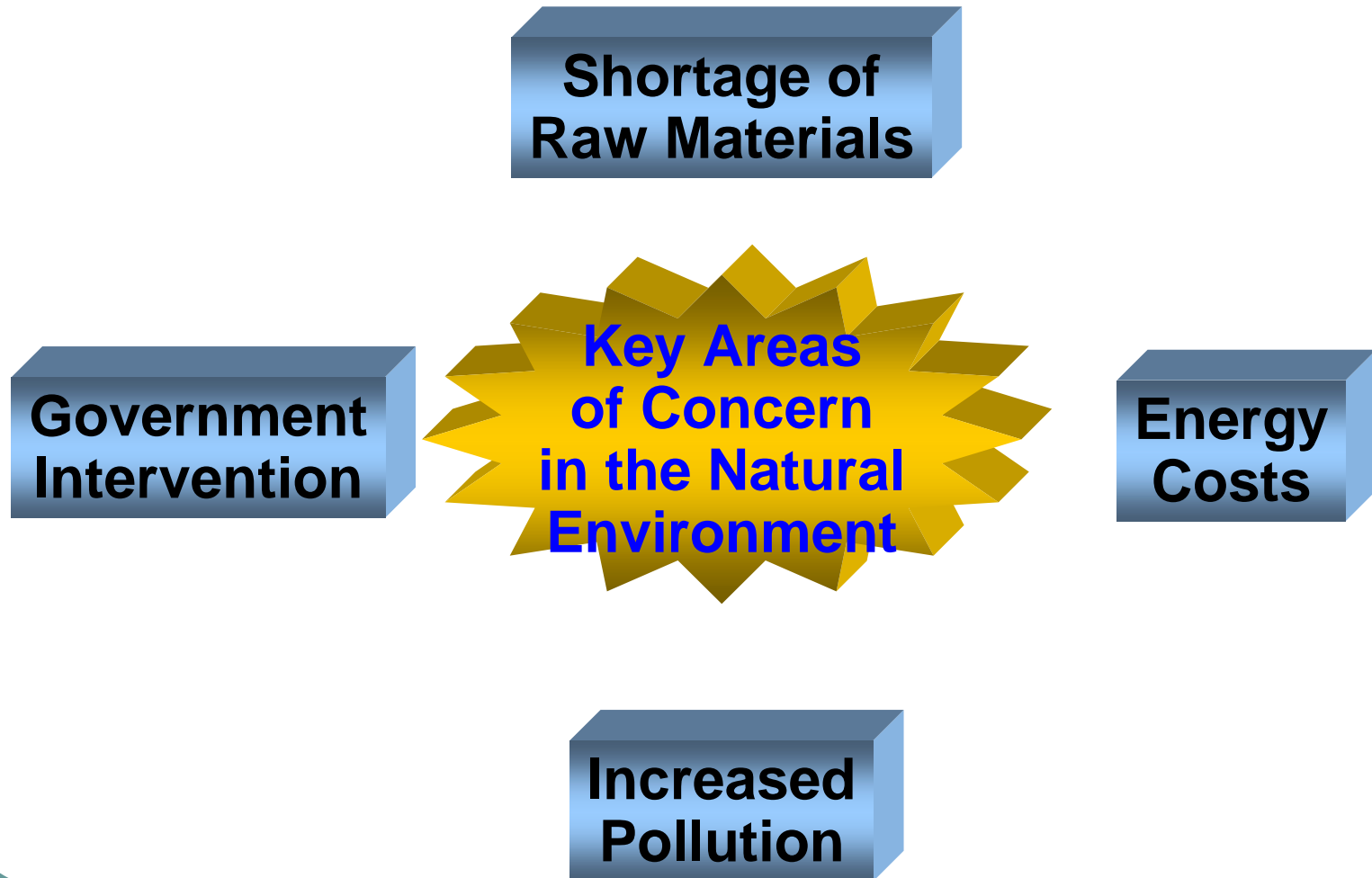


Key Economic Concerns for Marketers

- **Changes in Income**
- **Rate of saving and consumption**
- **Changes in Consumer Spending Patterns**

Natural Environment

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Technological Environment

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Fast Pace of
Change

High R & D
Budgets

Issues in the Technological Environment

Focus on Minor
Improvements

Increased
Regulation



Key Trends in the Political Environment

- **Legislation**
- **Enforcement**
- **Greater Concern for Ethics**

Views That Show Values

- ④ **Of Oneself**
- ④ **Of Others**
- ④ **Of Organizations**
- ④ **Of Society**
- ④ **Of Nature**
- ④ **Of the Universe**

Core values and beliefs:

highly enduring

supplementary values and beliefs:

easy to change

Each culture consists of sub-cultures.

Sub-culture: shared values because of the same environment and experience of life

III. Responding to the Marketing Environment



- 1. Concessive fast growth (GNP)**
- 2. Increasing consumption**
(housing, automobile, education, IT products, etc.)
- 3. Government's attention to the farmer & rural areas**
- 4. Campaign of exploring the West**
- 5. "Overheating" and Inflation**
- 6. Continuous reform of industries & companies under the pressure of WTO**

For Microenvironment information:

Marketing Information System (MIS)

For Microenvironment information:

Environmental scanning

(monitoring, forecasting and interpreting issues, trends and events to provide a broad but penetrating view of possible future changes in the macroenvironment.)

Environmental Management Perspective

Taking a proactive approach by taking aggressive (rather than passive) actions to affect the publics and forces in the marketing environment.

How to Respond to the Marketing Environment

2-23

- **Hire lobbyists**
- **Run “advertorials”**
- **Press law suits**
- **File complaints**
- **Form agreements**



Questions

2-24

- 1. What threats have Chinese textile manufacturers and traders have been faced with since China entered WTO?**
- 2. Find a case story showing a particular company that has well turned the threats to opportunities, and state the factors to its success.**

