

## Week 2: Marketing Environment and Market Analysis

Strategy is the process of developing and maintaining the organization's resources and capabilities to the demands of the changing environment in pursuit of its objectives. Aims of achieving a **sustainable differential advantage** in the changed environment.

### Guiding principles of strategy

- All customers differ and change
- All competitors react
- All resources are limited

### Differential Competitive advantage must be

- Important to consumers
- Done better than the competition
- Hard to duplicate

*As the principal **boundary-spanning function** within the org., marketing should play a leading role in the strategy process as it is responsible for the choices of **markets, products, and competitors**.*

### Marketing strategy responding to change

- **Collecting information** about the company, customers, competition, environmental context
- **Analyzing information** and understanding the situation
- **Identifying issues** and opportunities to guide future strategic marketing decisions
- **Applying creativity** to deliver desirable, differentiated and defensible marketing strategies

**Environmental analysis** involves breaking down the marketing environment for better understanding.

**The marketing environment** includes internal and external forces that affect a marketer's ability to create, communicate, deliver and exchange offerings of value.

- **Internal environment:** the organization, people and processes
  - Strengths and weaknesses
- **External environment:** people and processes outside the org. and cannot be directly controlled
  - Opportunities and threats
  - Micro/Macro-environment
    - **Micro-environment:** affects industry's ability to serve its customers and clients. The organization will seek to negotiate with, or influence, it. Consists of customers, clients, partners and competitors.
    - **Macro-environment:** Political Economic Sociocultural Technological Environmental Legal

### Types of competition

- **Pure:** offers undifferentiated products
- **Monopolistic:** offer similar products, prompting to strive to differentiate product
- **Oligopoly:** small number of competitors offer similar yet differentiated products
- **Monopoly:** one supplier with potentially insurmountable barriers to new
- **Monopsony:** only one buyer

### Situational Planning

Identifies the key factors used as a basis for developing marketing strategy to understand the current position or situation.

### Marketing Planning

Combines organizational objectives and situational analyses to formulate and maintain a marketing plan that moves the org. from where it currently is to where it wants to be.