Chapter 4
Evaluating Opportunities in the Changing Marketing Environment

Competitive Environment
- Basic Market Type
  - Pure Competition
  - Oligopoly
  - Monopolistic Competition
  - Pure Monopoly
- Competitor Analysis
- Competitive Barriers

Socio/Cultural Environment
- Culture is a society’s “personality.”
- Cultural values change, but usually slowly.
- Socio/cultural environment plays a major role in determining what constitutes ethical and unethical behavior.

Technological Environment
- 90% of all scientists who ever lived are alive today.
- The application of high tech to consumer products is a major trend in product development.
  - Slide rule vs. Programmable calculators
  - Early Computers vs. PCs and Laptops of today

Economic Environment
- Economic changes can occur very rapidly
- Impact on Consumers with Changes in:
  - Inflation
  - Interest Rates
  - Exchange Rates
Business Cycle: recurrent fluctuations in economic activity (spending, output, employment)

Prosperity  Recovery  Recession  Recovery

Depression

Political/Legal Environment

- Federal, State, and Local Political and Legal Environments affect marketing.
- Political movements (nationalism, consumerism) impact marketing opportunities

History of Government Regulation

Antimonopoly Period of Early 20th Century: Sherman Act, Clayton Act, FTC Act

Great Depression Period Aimed at Protecting Competitors: Robinson-Patman Act, Unfair Trade Laws

Regulations Aimed at Protecting Consumers: Pure Food & Drug Act, Fair Packaging & Labeling Act, Consumer Product Safety Act

Most Recent Phase Aimed at Deregulating Certain Industries: Staggers Rail Act, Airline Deregulation Act, DIDMCA
Strategic Planning Tools: BCG Matrix

- Market Growth:
  - High
  - Low

- Relative Market Share:
  - High
  - Low

Strategic Planning Tools: GE Matrix

- Industry Attractiveness:
  - High
  - Medium
  - Low

- Business Strengths:
  - Low
  - Medium
  - High