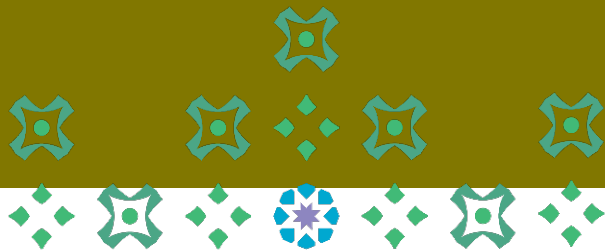


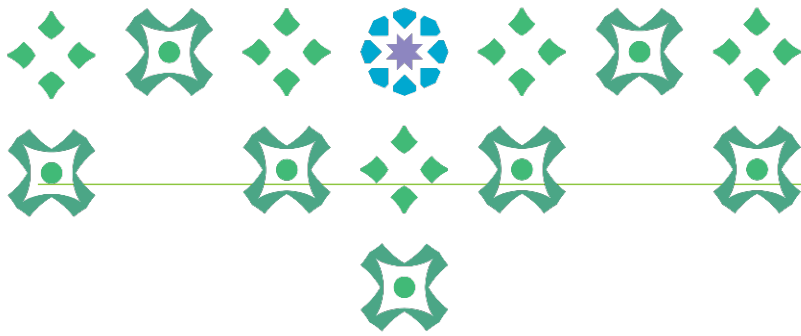


جامعة الأميرة نورة بنت عبدالرحمن
Princess Nourah bint Abdulrahman University

Introduction to Tourism & Hospitality Industry (HOS 100)

Marketing Environment (Week 2)





CHAPTER OBJECTIVES

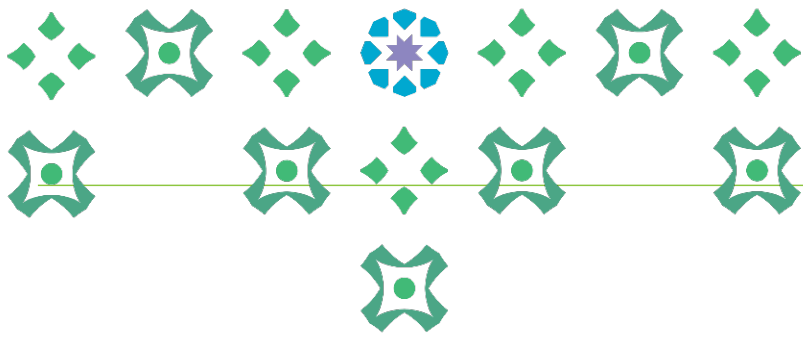
After studying the chapter, students should be able to:

- ? Describe marketing research process.
- ? Create a marketing research plan, including defining the problem and research objective, implementing the plan, and interpreting and reporting findings.



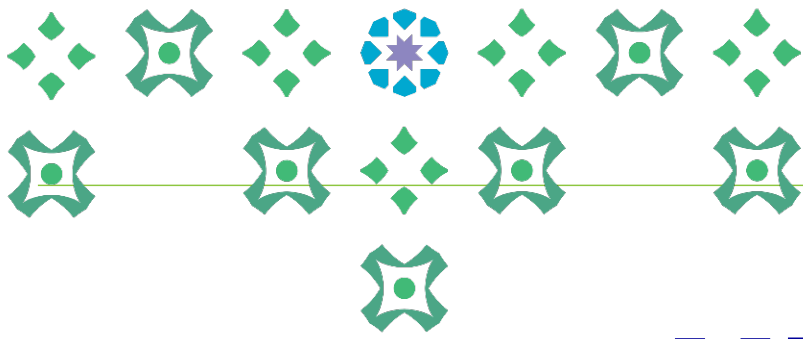
The Marketing Environment

The marketing environment includes the actors and forces outside marketing that affect marketing management's ability to build and maintain successful relationships with target customers



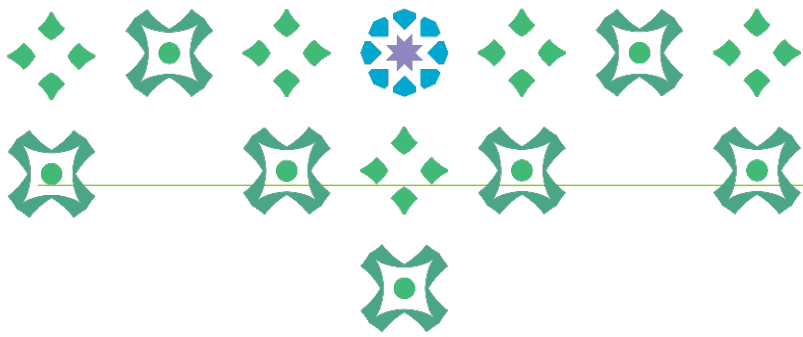
The Marketing Environment

Microenvironment consists of the actors close to the establishment that affect its ability to serve its customers -- the establishment, suppliers, marketing intermediaries, customer markets, competitors, and publics



Actors in the Microenvironment

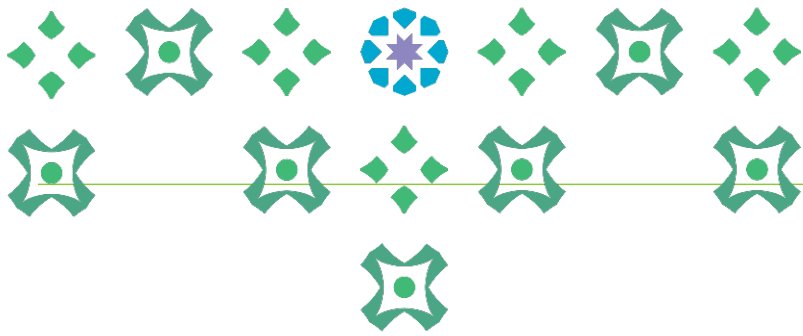




The Establishment's Microenvironment

The Establishment

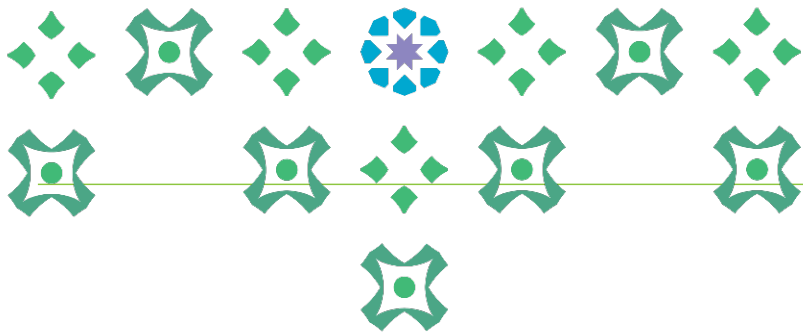
- Top management
- Finance
- R&D
- Purchasing
- Operations
- Accounting



The Establishment's Microenvironment

Suppliers

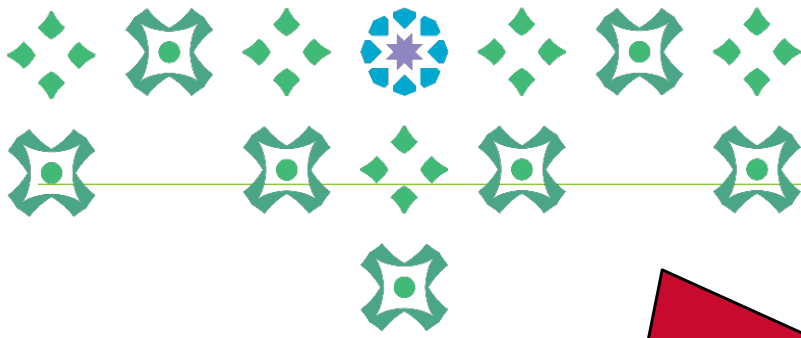
- Provide the resources to produce goods and services
- Treated as partners to provide customer value



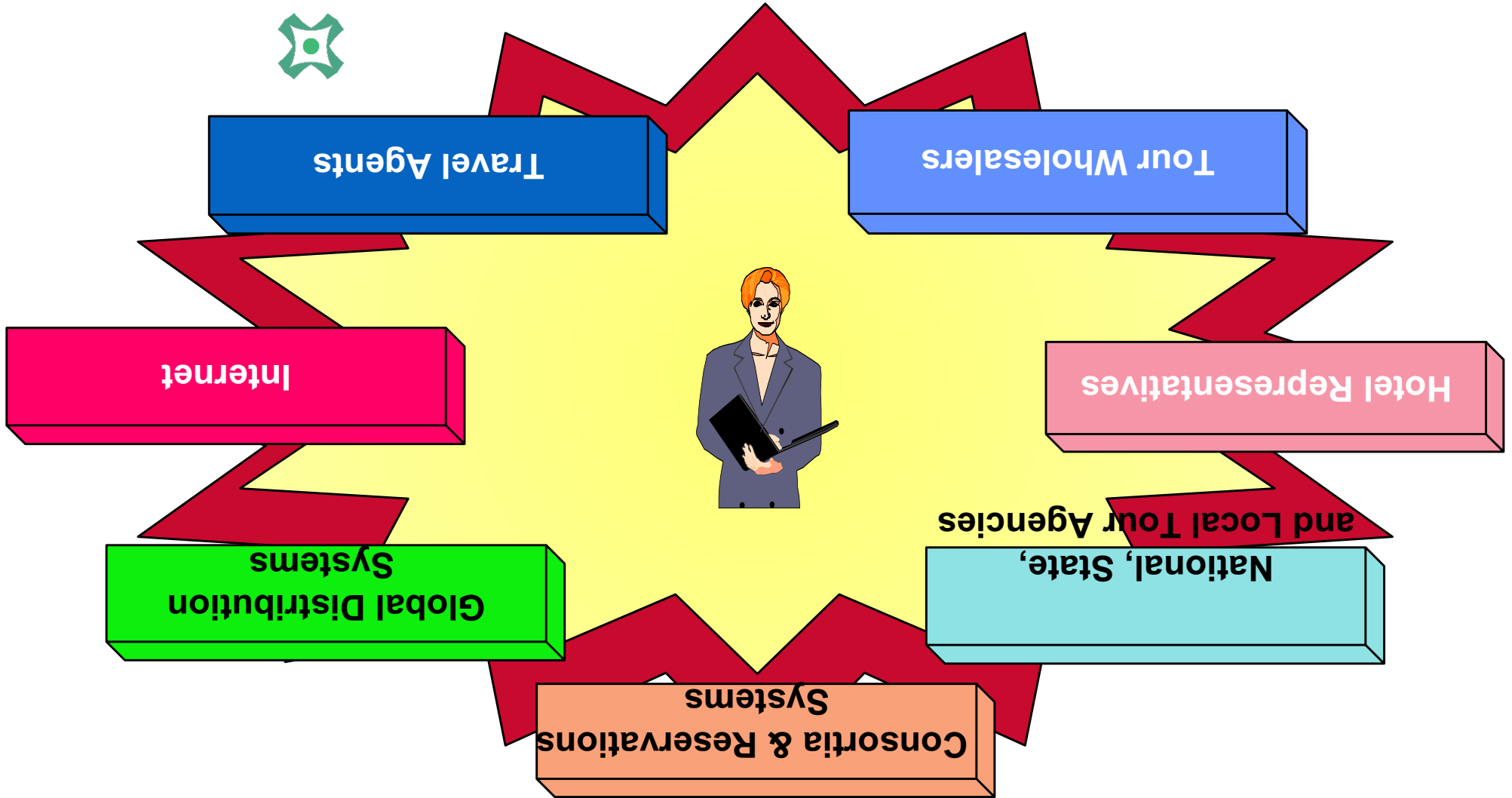
The Establishment's Microenvironment

Marketing Intermediaries

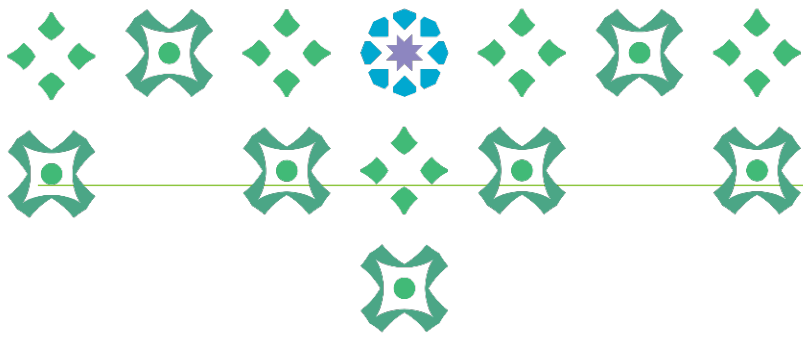
- Help the establishment to promote, sell and distribute its products to final buyers



The establishment's Microenvironment



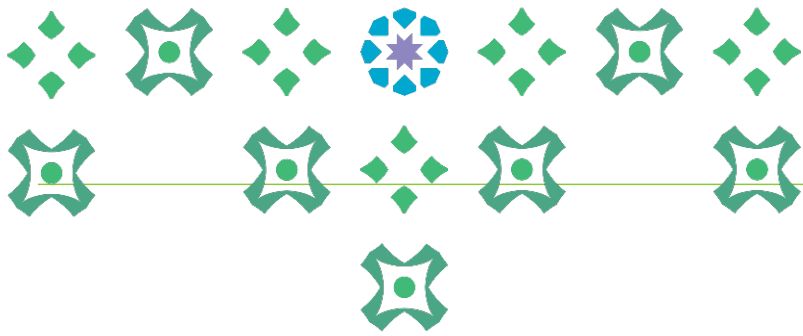
Marketing Intermediaries



The Establishment's Microenvironment

Competitors

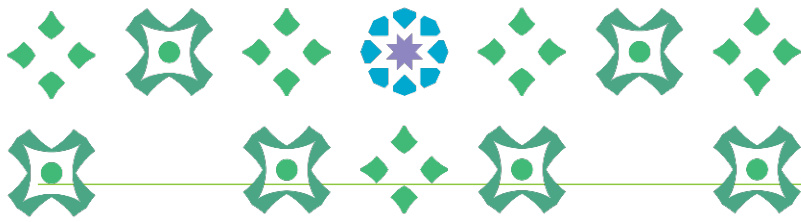
- Firms must gain strategic advantage by positioning their offerings against competitors' offerings.



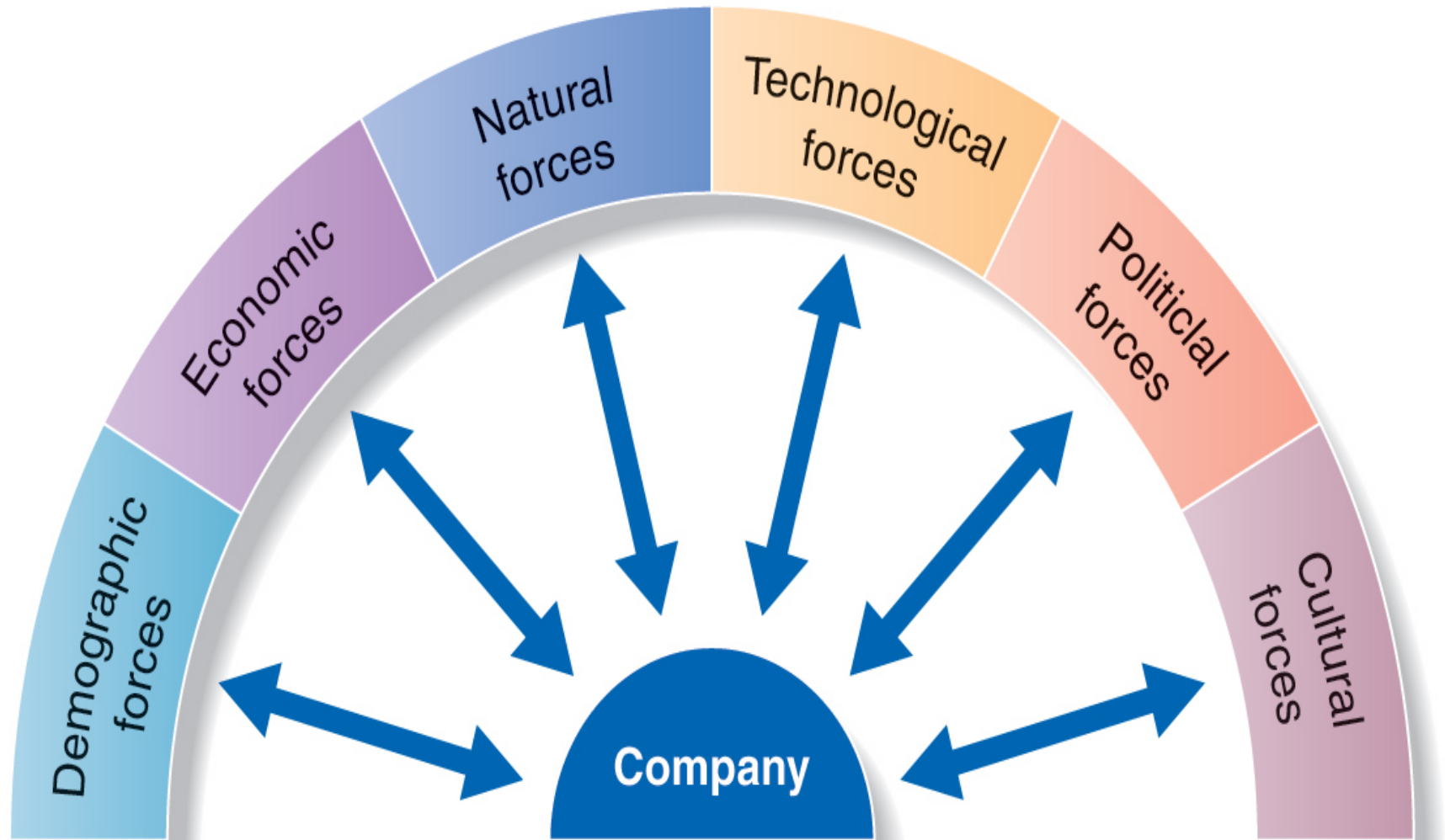
The Establishment's Microenvironment

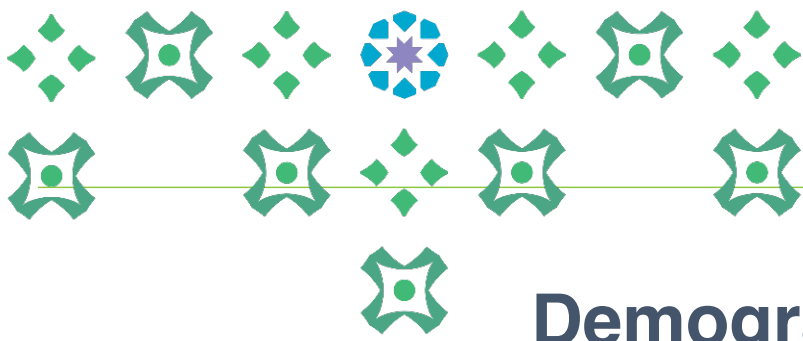
Publics

- Any group that has an actual or potential interest in or impact on an organization's ability to achieve its objectives
 - Financial publics
 - Media publics
 - Government publics
 - Citizen-action publics
 - Local publics
 - General public
 - Internal publics



Major Macroenvironmental Forces



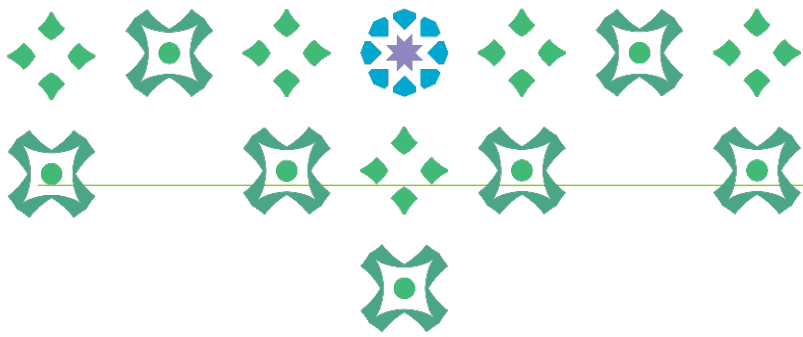


The Establishment's Macroenvironment

Demographic Environment

Demography is the study of human populations in terms of size, density, location, age, gender, race, occupation, and other statistics

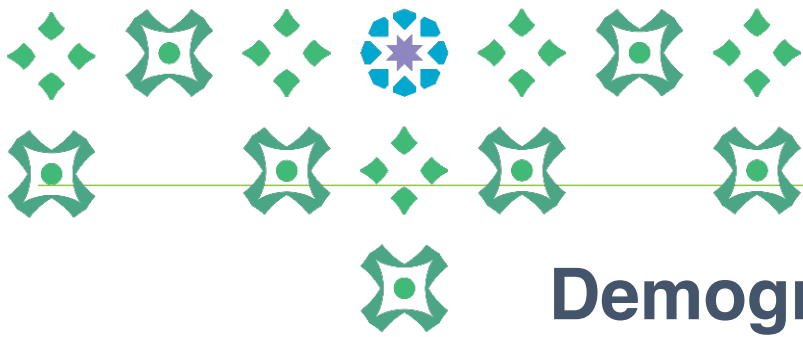
- Demographic environment is important because it involves people, and people make up markets
- Demographic trends include age, family structure, geographic population shifts, educational characteristics, and population diversity



The Establishment's Macroenvironment

Demographic Environment

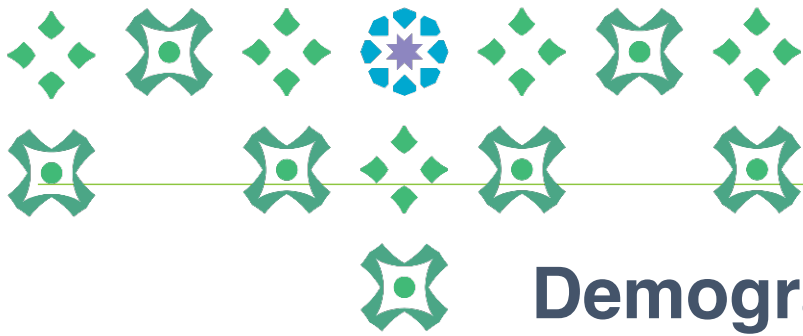
- Changing age structure of the population
 - Baby boomers include people born between 1946 and 1964
 - Most affluent Americans



The Establishment's Macroenvironment

Demographic Environment

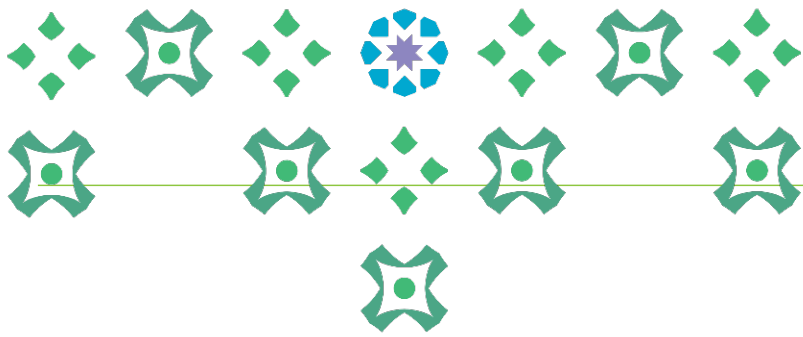
- Generation X includes people born between 1965 and 1976
 - High parental divorce rates
 - Cautious economic outlook
 - Less materialistic
 - Family comes first
 - Lag behind on retirement savings



The Establishment's Macroenvironment

Demographic Environment

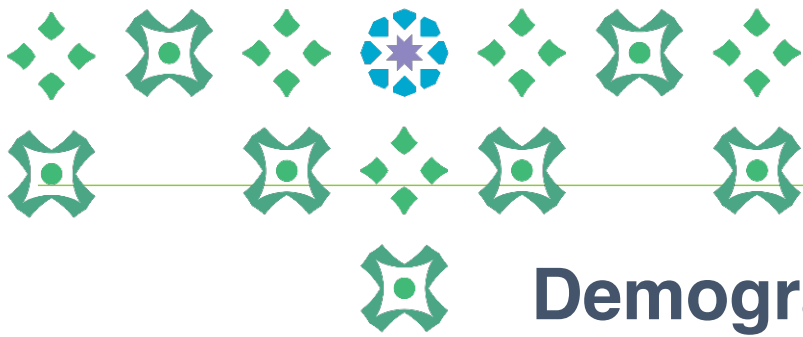
- Millennials (gen Y or echo boomers) include those born between 1977 and 2000
 - Comfortable with technology
 - Includes:
 - Tweens (ages 8–12)
 - Teens (13–19)
 - Young adults (20's)



The Establishment's Macroenvironment

Demographic Environment

Generational marketing is important in segmenting people by lifestyle of life state instead of age

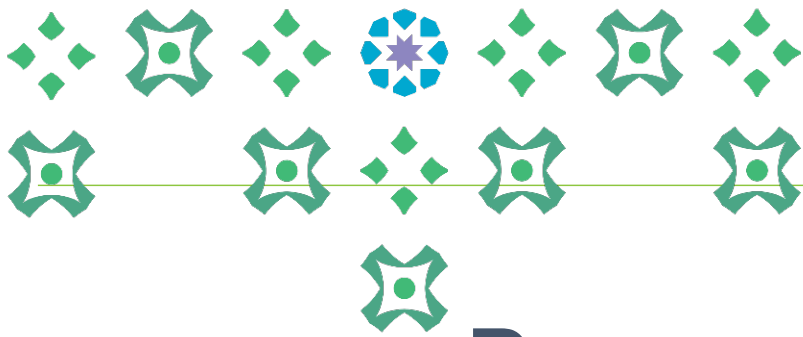


The Establishment's Macroenvironment

Demographic Environment

More people are:

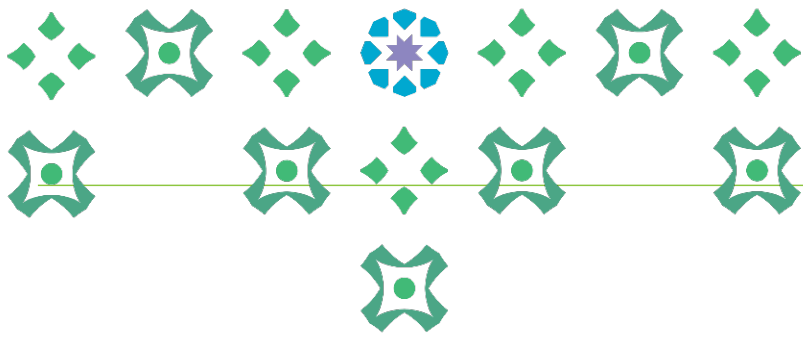
- Divorcing or separating
- Choosing not to marry
- Choosing to marrying later
- Marrying without intending to have children
- Increased number of working women
- Stay-at-home dads



The Establishment's Macroenvironment

Demographic Environment

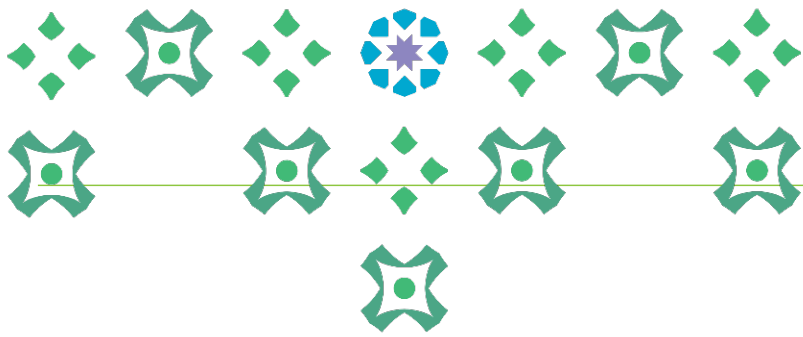
- Growth in United States West and South and decline in Midwest and Northeast
- Moving from rural to metropolitan areas
- Changes in where people work
 - Telecommuting
 - Home office
 - Divorcing or separating



The Establishment's Macroenvironment

Demographic Environment

- Changes in the workforce
 - More educated
 - More white collar

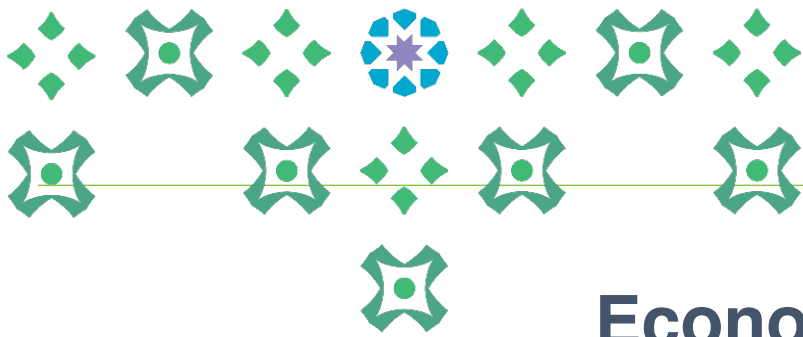


The Establishment's Macroenvironment

Demographic Environment Increased Diversity

Markets are becoming more diverse

- International
- National
- Includes:
 - Ethnicity
 - Disabled

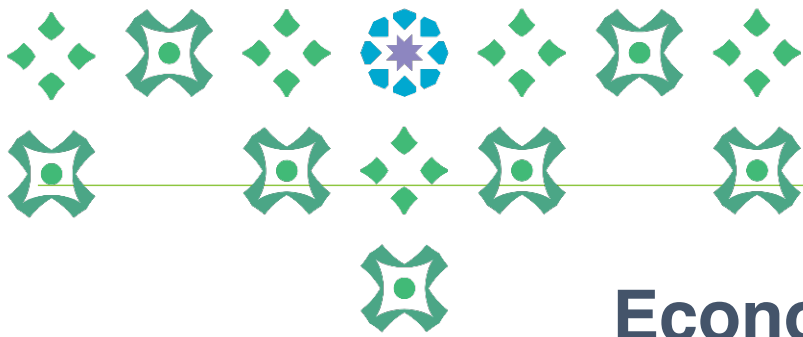


The Establishment's Macroenvironment

Economic Environment

Economic environment consists of factors that affect consumer purchasing power and spending patterns

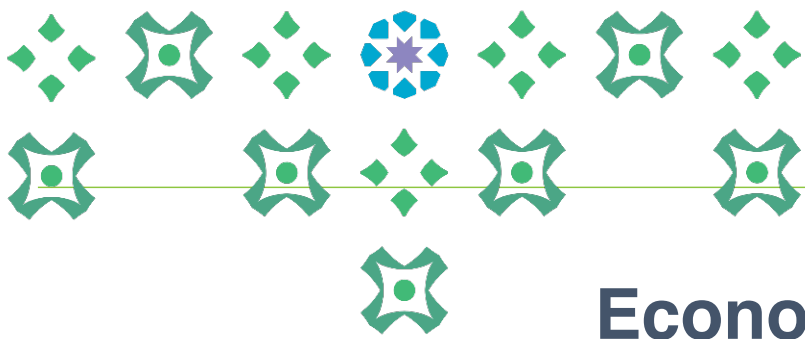
- Industrial economies are richer markets
- Subsistence economies consume most of their own agriculture and industrial output



The Establishment's Macroenvironment

Economic Environment

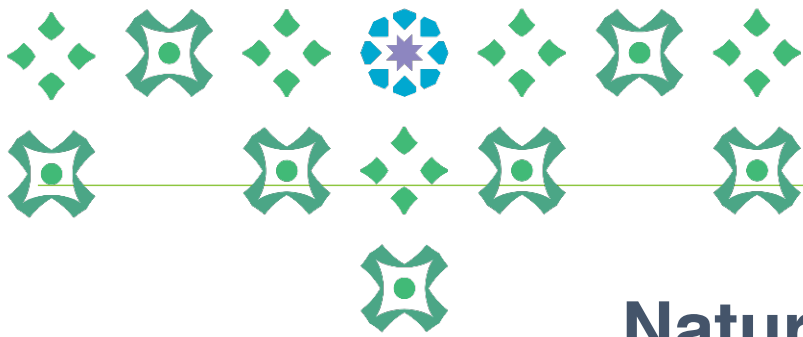
- Changes in income
- Value marketing involves ways to offer financially cautious buyers greater value—the right combination of quality and service at a fair price



The Establishment's Macroenvironment

Economic Environment Changes in Consumer Spending Patterns

- Ernst Engel—Engel's Law
- As income rises:
 - The percentage spent on food declines
 - The percentage spent on housing remains constant
 - The percentage spent on savings increases

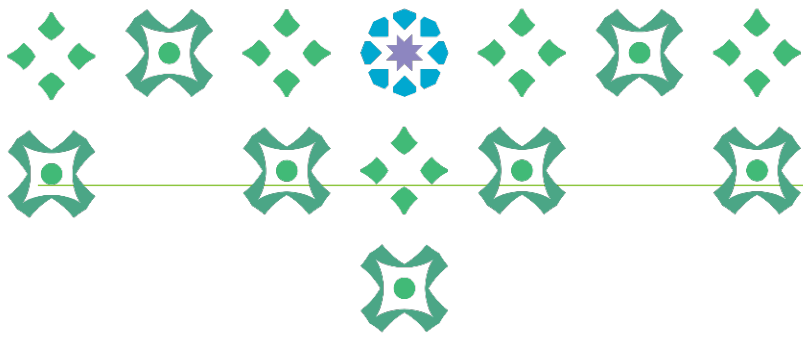


The Establishment's Macroenvironment

Natural Environment

Natural environment involves the natural resources that are needed as inputs by marketers or that are affected by marketing activities

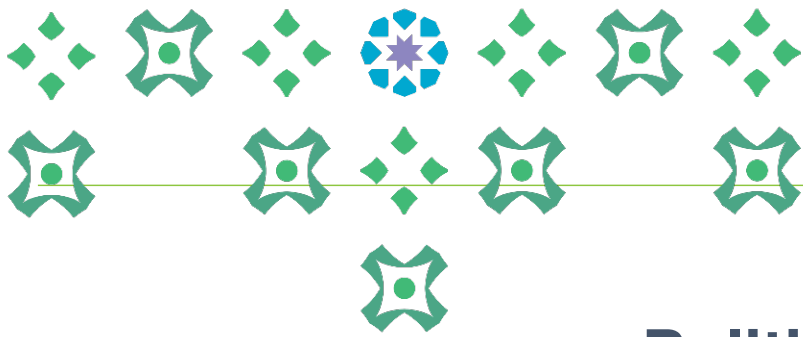
- Trends
 - Shortages of raw materials
 - Increased pollution
 - Increase government intervention
 - Environmentally sustainable strategies



The Establishment's Macroenvironment

Technological Environment

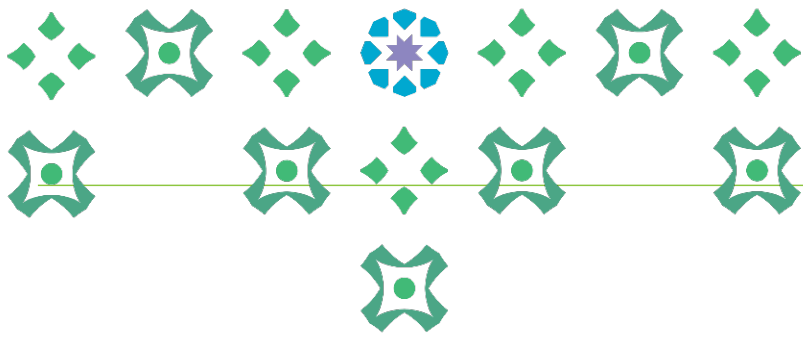
- Most dramatic force in changing the marketplace
- Creates new products and opportunities
- Safety of new product always a concern



The Establishment's Macroenvironment

Political Environment

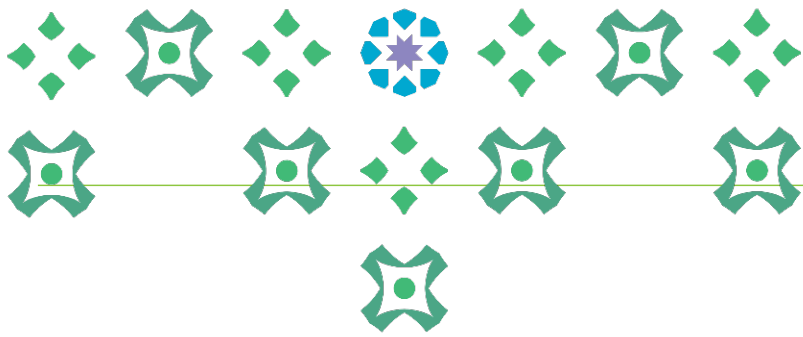
Political environment consists of laws, government agencies, and pressure groups that influence or limit various organizations and individuals in a given society



The Establishment's Macroenvironment

Political Environment

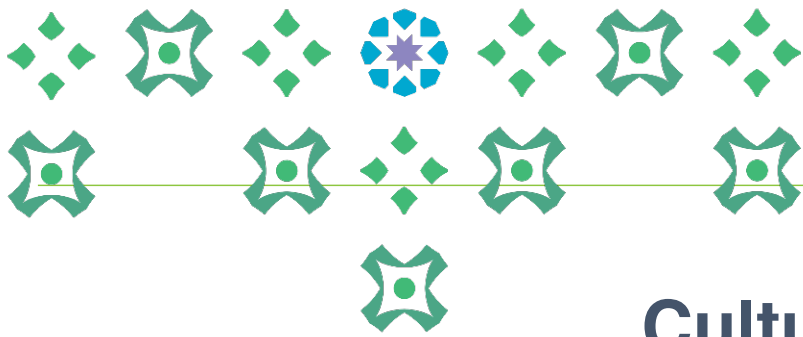
- Legislation regulating business
 - Increased legislation
 - Changing government agency enforcement
- Increased emphasis on ethics
 - Socially responsible behavior
 - Cause-related marketing



The Establishment's Macroenvironment

Cultural Environment

Cultural environment consists of institutions and other forces that affect a society's basic values, perceptions, and behaviors



The Establishment's Macroenvironment

Cultural Environment

Persistence of Cultural Values

Core beliefs and values are persistent and are passed on from parents to children and are reinforced by schools, religious institutions, businesses, and government

Secondary beliefs and values are more open to change and include people's views of themselves, others, organizations, society, nature, and the universe





Responding to the Marketing Environment

Views on Responding

Uncontrollable

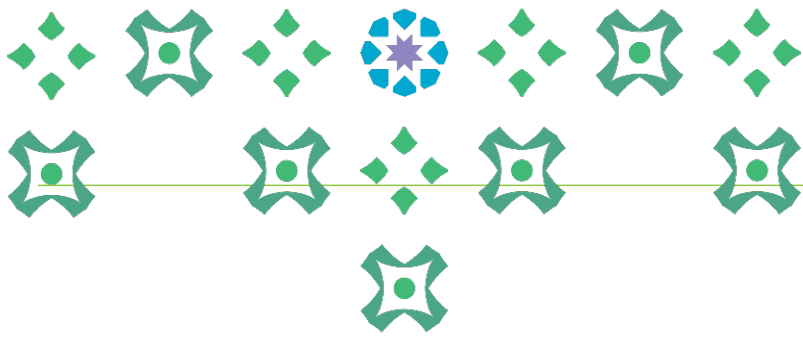
- React and adapt to forces in the environment

Proactive

- Aggressive actions to affect forces in the environment

Reactive

- Watching and reacting to forces in the environment





جامعة الأميرة نورة بنت عبدالرحمن
Princess Nourah bint Abdulrahman University

Thank

You

