

1

Do not believe in anything simply because you have heard it. Do not believe in anything simply because it is spoken and rumoured by many. Do not believe in anything simply because it is found written in your religious books. Do not believe in anything merely on the authority of your teachers and elders. Do not believe in traditions because they have been handed down for many generations. But after observation and analysis, when you find that anything agrees with reason and is conducive to the good and benefit of one and all, then accept it and live up to it.

Buddha



3

Objectives

- What are the key methods for tracking and identifying opportunities in the macroenvironment?
- What are the key demographic, economic, natural, technological, political, and cultural developments?
- How is strategic planning carried out at the corporate and division levels?
- How is planning effort carried out?
- What does a marketing plan include?

4

Analyzing Needs and Trends in the Macroenvironment

- Trend
- Fad
- Megatrends

5

Identifying and Responding to the Major Macroenvironment Forces

- The substantial speedup of international transportation, communication, and financial transactions, leading to the rapid growth of world trade and investment, especially tripolar trade (North America, Western Europe, Far East)
- The movement of manufacturing capacity and skills to lower cost countries.
- The rising economic power of several Asian countries in world markets.
- The rise of trade blocks such as the European Union and NAFTA signatories.

6

Identifying and Responding to the Major Macroenvironment Forces

- The severe debt problems of a number of countries, along with the increasing fragility of the international financial system.
- The increasing use of barter and countertrade to support international transactions.
- The move toward market economies in formerly socialist countries along with rapid privatization of publicly owned companies. (Jiang Zemin's agenda)
- The rapid dissemination of global lifestyles.
- The gradual opening of major new markets, namely China, India, eastern Europe, the Arab countries, and Latin America.

7

Identifying and Responding to the Major Macroenvironment Forces

- The increasing tendency of multinationals to transcend their locational and national characteristics and become transnational firms.
- The increasing number of cross-border corporate strategic alliances—for example, MCI and British Telecom, and Texas Instruments and Hitachi.
- The increasing ethnic and religious conflicts in certain countries and regions.
- The growth of global brands in auto, food, clothing, electronics.

8

Identifying and Responding to the Major Macroenvironment Forces

- Demographic Environment
 - Worldwide Population Growth
 - Population Age Mix
 - Ethnic and Other Markets
 - Educational Groups
 - Household Patterns
 - Geographical Shifts in Population
 - From a Mass Market to Micromarkets

9

Identifying and Responding to the Major Macroenvironment Forces

- Economic Environment
 - Income Distribution
 - Savings, Debt, and Credit Availability

10

Identifying and Responding to the Major Macroenvironment Forces

- Natural Environment
 - Shortage of Raw Materials
 - Increased Energy Cost
 - Anti-Pollution Pressures
 - Changing Role of Governments

11

Identifying and Responding to the Major Macroenvironment Forces

- Technological Environment
 - Accelerating Pace of Change
 - Unlimited Opportunities for Innovation
 - Varying R&D Budgets
 - Increased Regulation of Technological Change

12

Identifying and Responding to the Major Macroenvironment Forces

- Political-Legal Environment
 - Legislation Regulating Business
 - Growth of Special-Interest Groups
 - Consumerist movement

13

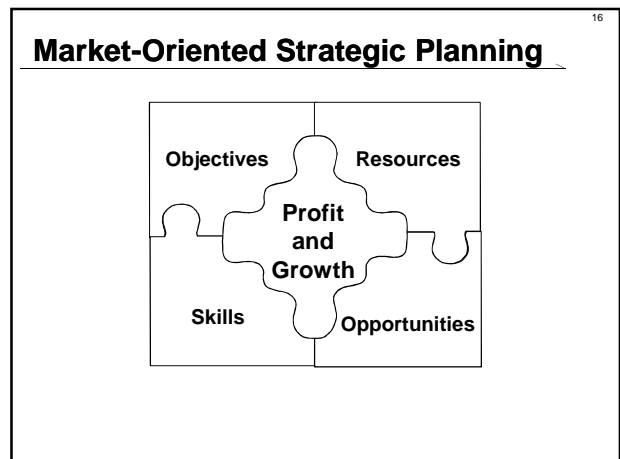
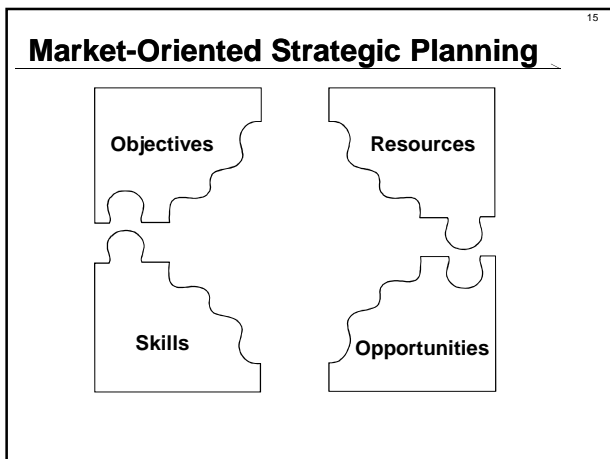
Identifying and Responding to the Major Macroenvironment Forces

- Social-Cultural Environment
 - Views of themselves
 - Views of others
 - Views of organizations
 - Views of society
 - Views of nature
 - Views of universe
- High Persistence of Core Cultural Values
- Existence of subcultures
- Shifts of Secondary Cultural Values Through Time

14

The process of strategic failure

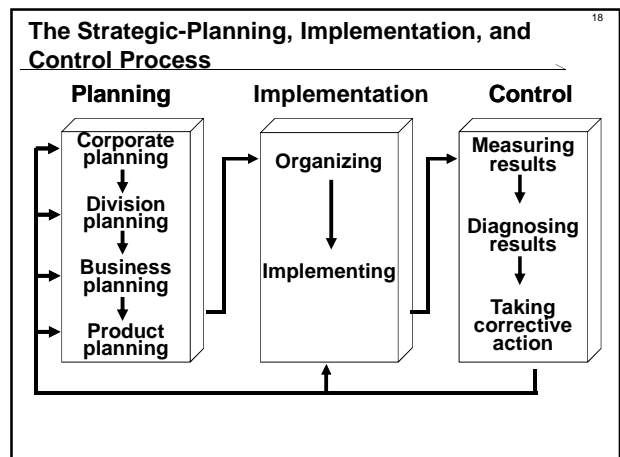
- Observation delay
- Procrastination
- Retrenchment
- Power shift

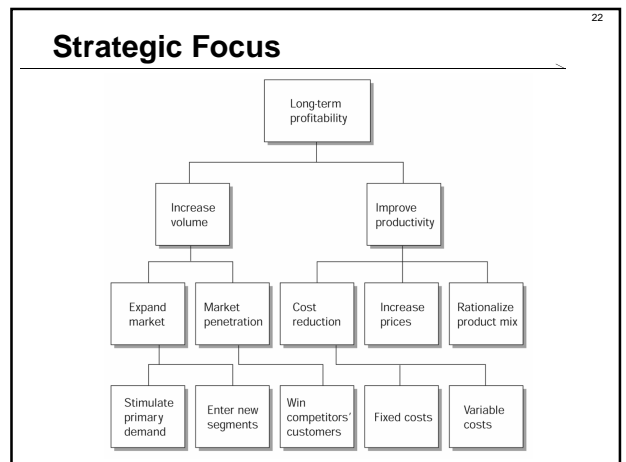
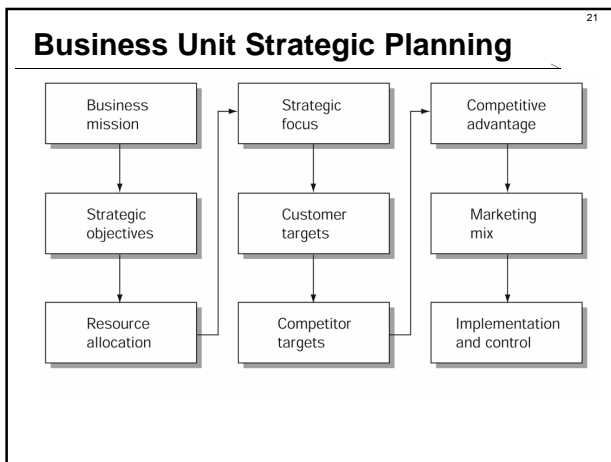
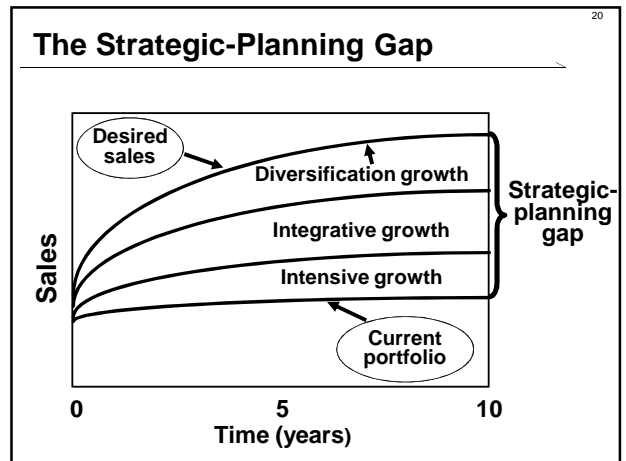
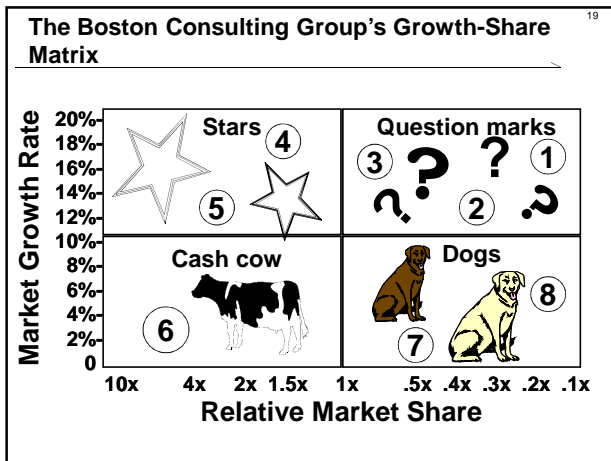


17

Strategic Planning: Three Key Areas

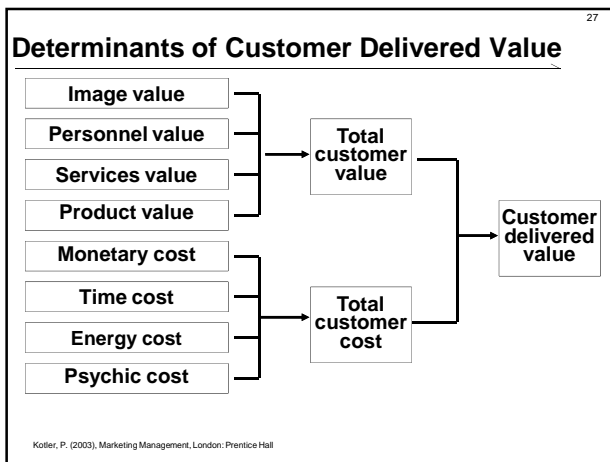
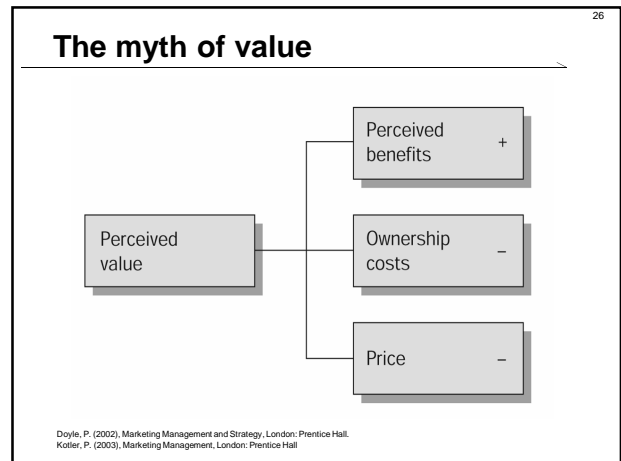
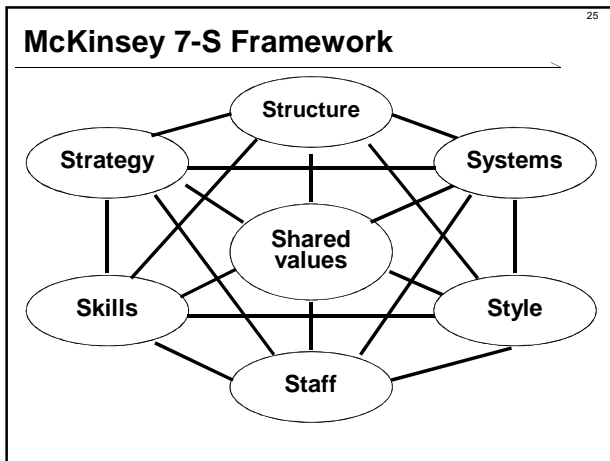
- Strategic marketing plan
- Tactical marketing plan
- Operational Marketing plan





- Competitor targets**
- Who are the competitors?
 - What are their objectives?
 - What are their strengths and weaknesses?
 - What are their likely strategies?
 - What should be done?

- Generic Strategies**
- Cost leadership
 - Differentiation
 - Focus



- Product Planning: The Nature and Contents of a Marketing Plan** 28
- Contents of the Marketing Plan
 - Executive Summary
 - Current Marketing Situation
 - Opportunity and issue analysis
 - Objectives
 - Marketing strategy
 - Action programs
 - Financial projections
 - Implementation controls