

The background is a blurred image of a library or study area with bookshelves. In the foreground, a stack of several books is shown, with the top one open. Floating around the books are various white mathematical symbols and icons, including plus signs, zeros, question marks, and symbols for summation and multiplication. The text 'Lecture 12' and 'Territorial marketing' is overlaid in white on the books.

Lecture 12

Territorial marketing

# Economic environment

- Factors that affect consumer buying power and spending patterns

Trends of interest:

- ✓ Changes in income, continued spending by consumers
- ✓ Consumer debt levels rising, savings down
- ✓ Crisis
- ✓ Devaluation



# Income distribution

Walt Disney markets two distinct Pooh bears to match its two-tiered market.



# Cultural environment

Institutions and other forces that influence:

- Society's basic values, perceptions, preferences, and behaviors;
- Core beliefs passed on through family, reinforced by institutions;
- Secondary beliefs are more open to change;
- People's views.



# Responding to the Marketing Environment

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- *Reactive:*

## Passive Acceptance and Adaptation

- Companies design strategies that avoid threats and capitalize upon opportunities.

- *Proactive:*

## Environmental Management

- Use of lobbyists, PR, complaints, and contractual agreements to influence environmental forces.

# Class activity

## Step 1

Identify 5 products that will be negatively forced by marketing environment (Alcohol in Muslim countries, Warm clothes in Africa, etc.).

## Step 2 ...





## Natural environment:

- Growing shortages of raw materials
- Increased pollution
- Increased government intervention
- Environmental Protection Acts
- Green movement
- Focus on environmental sustainability strategies

## Environmental Responsibility

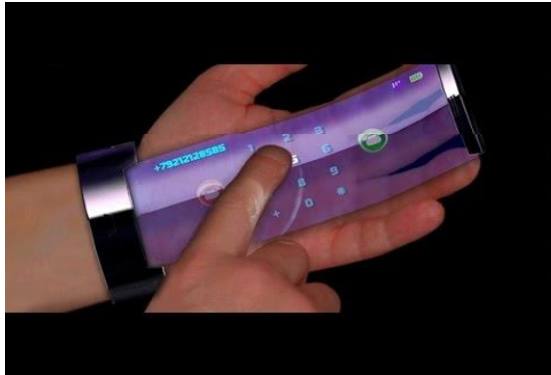
McDonald's has made a substantial commitment to the so-called "green movement."





# Technological environment

- Creates new markets and opportunities
- Replaces existing products and services
- Research and development activity drives this sector
- Government programs to encourage more
- Changes rapidly.



Most dramatic force now shaping our destiny

# Political environment

- Laws, government agencies, and pressure groups
- Influence and limit organizations and individuals within a society
- Increasing legislation
- Increased emphasis on ethics and social responsibility

## Sanctions war

