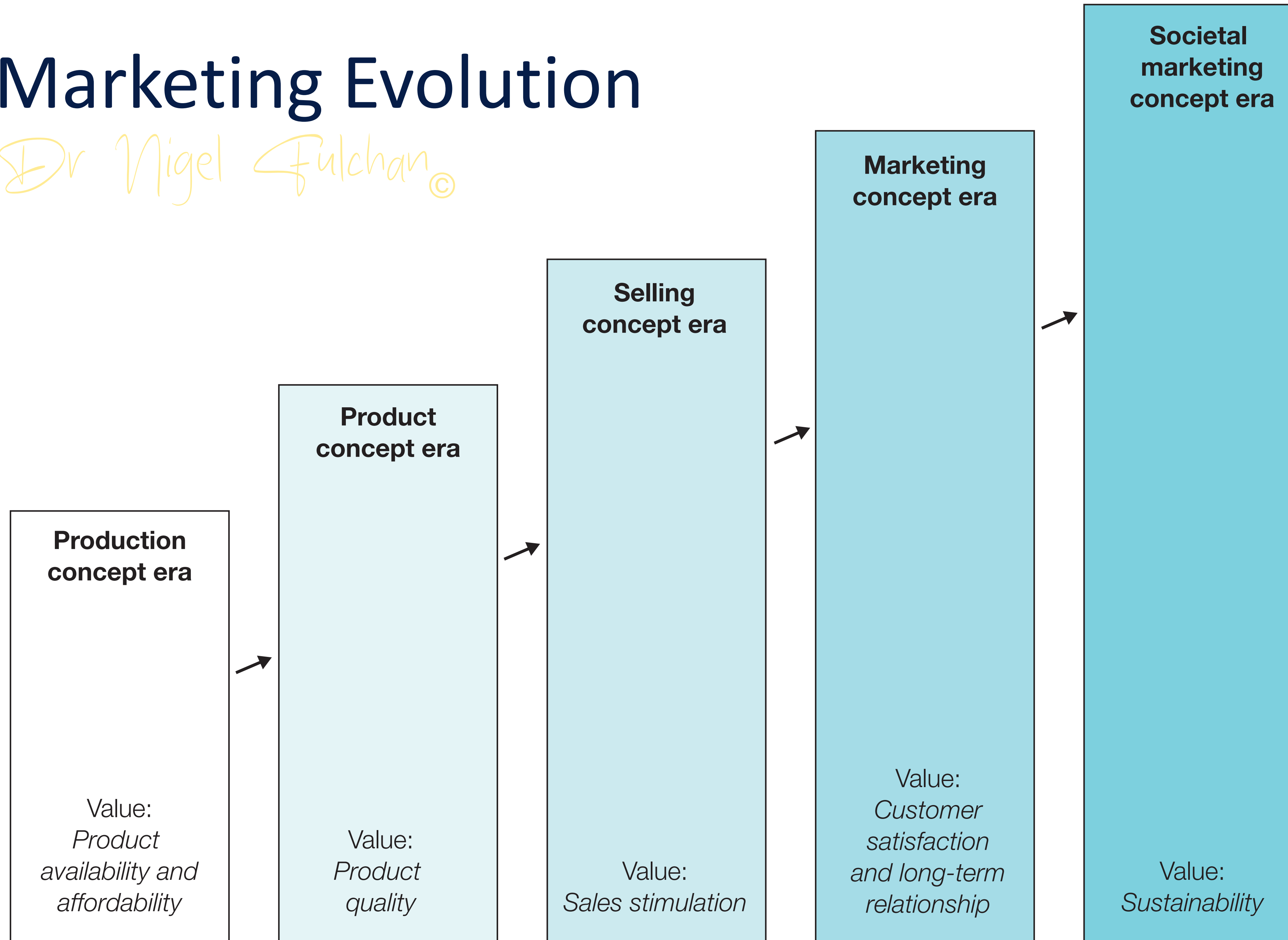
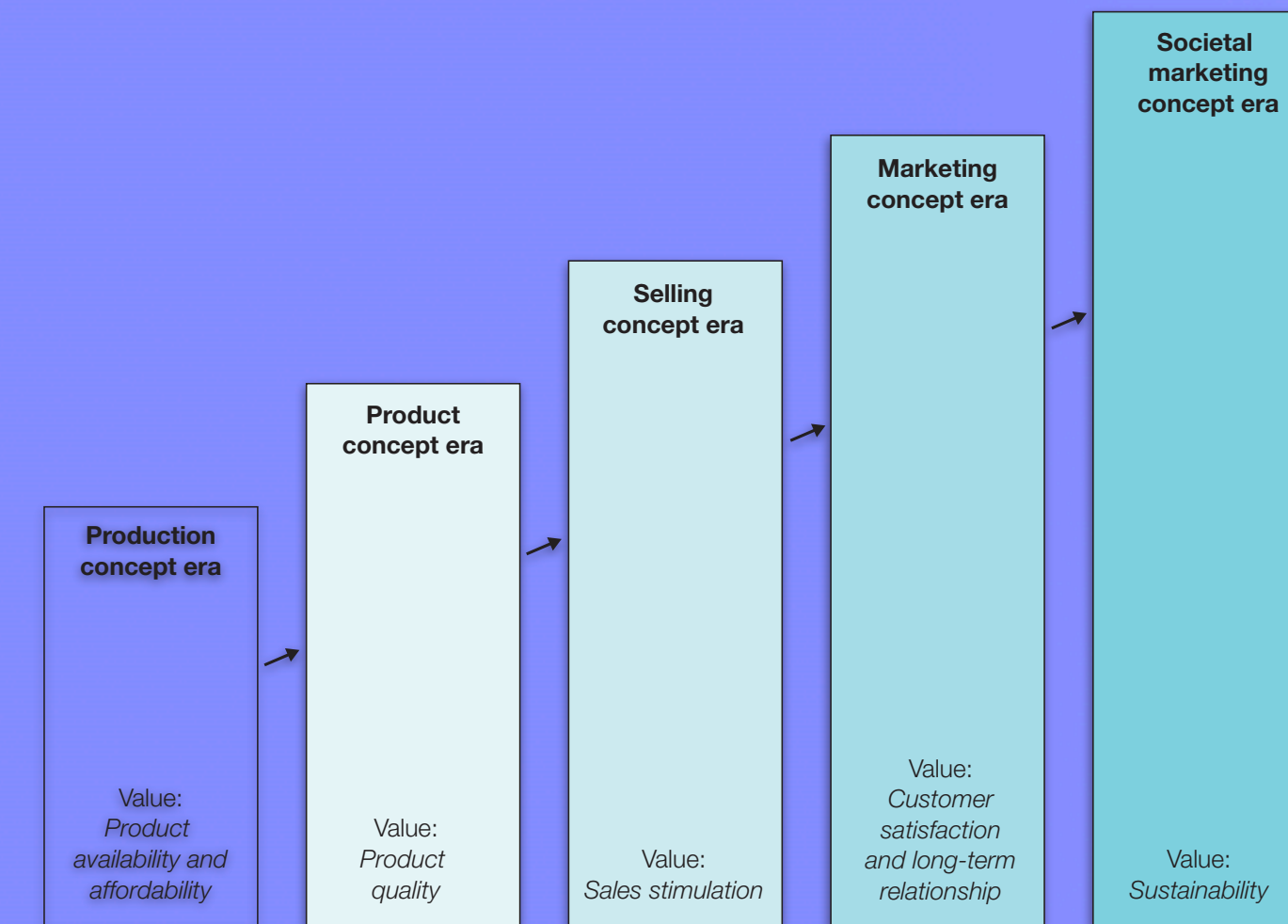


Marketing Evolution

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- The role of marketing was to ensure low-price value, typically achieved through mass production and intensive distribution.
- Value: Product availability and affordability



Production Concept Era

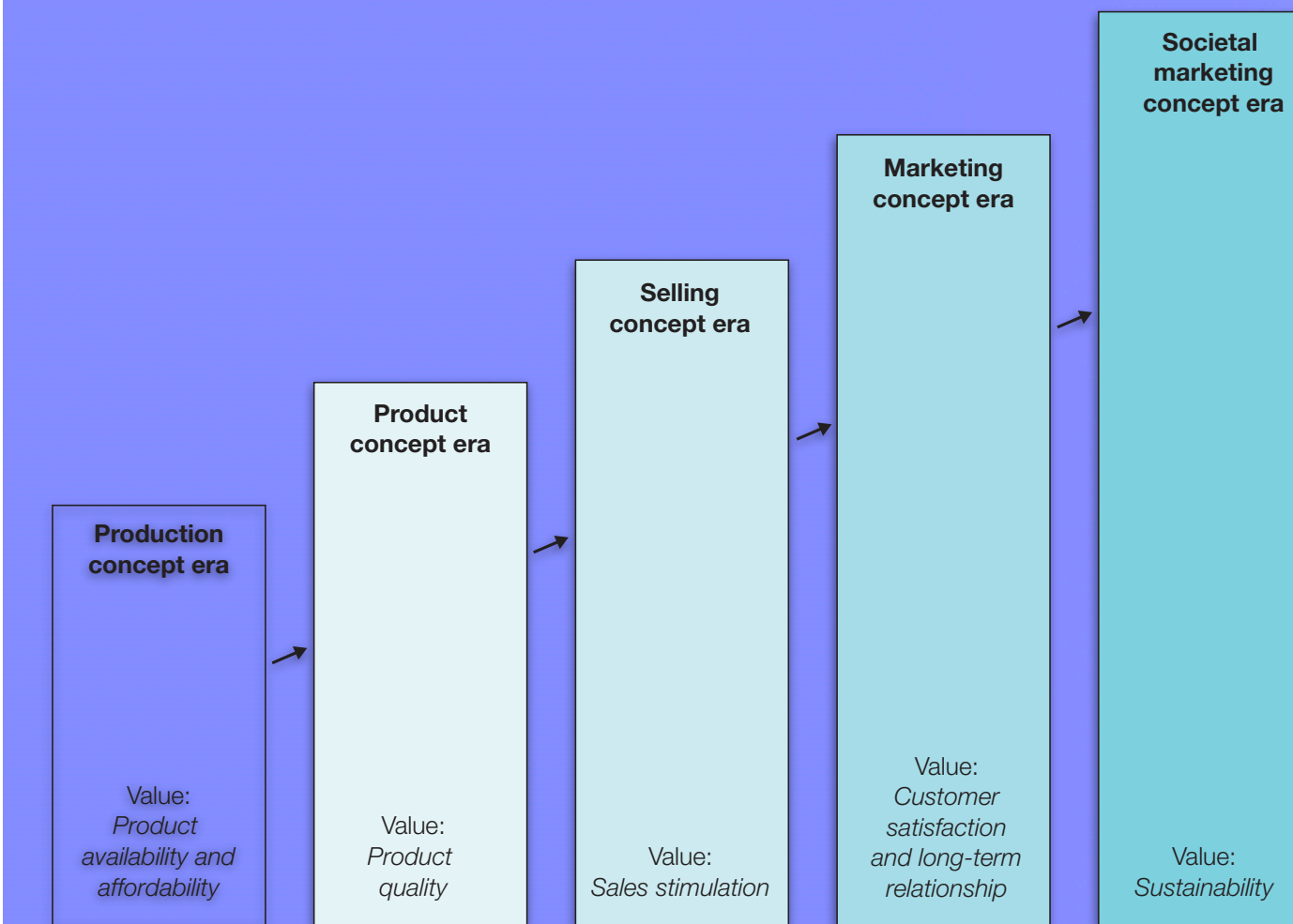
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Selling Approach: "Make it cheap and make it available."

- Method: Minimal marketing; focus on wide distribution and availability.
- Message: "You need this because it's finally accessible."
- Customer Role: Passive. They buy because it's the only option or the most affordable.
- Example: The early Ford Model T had few variations. No frills. Low cost.



Production Concept Era

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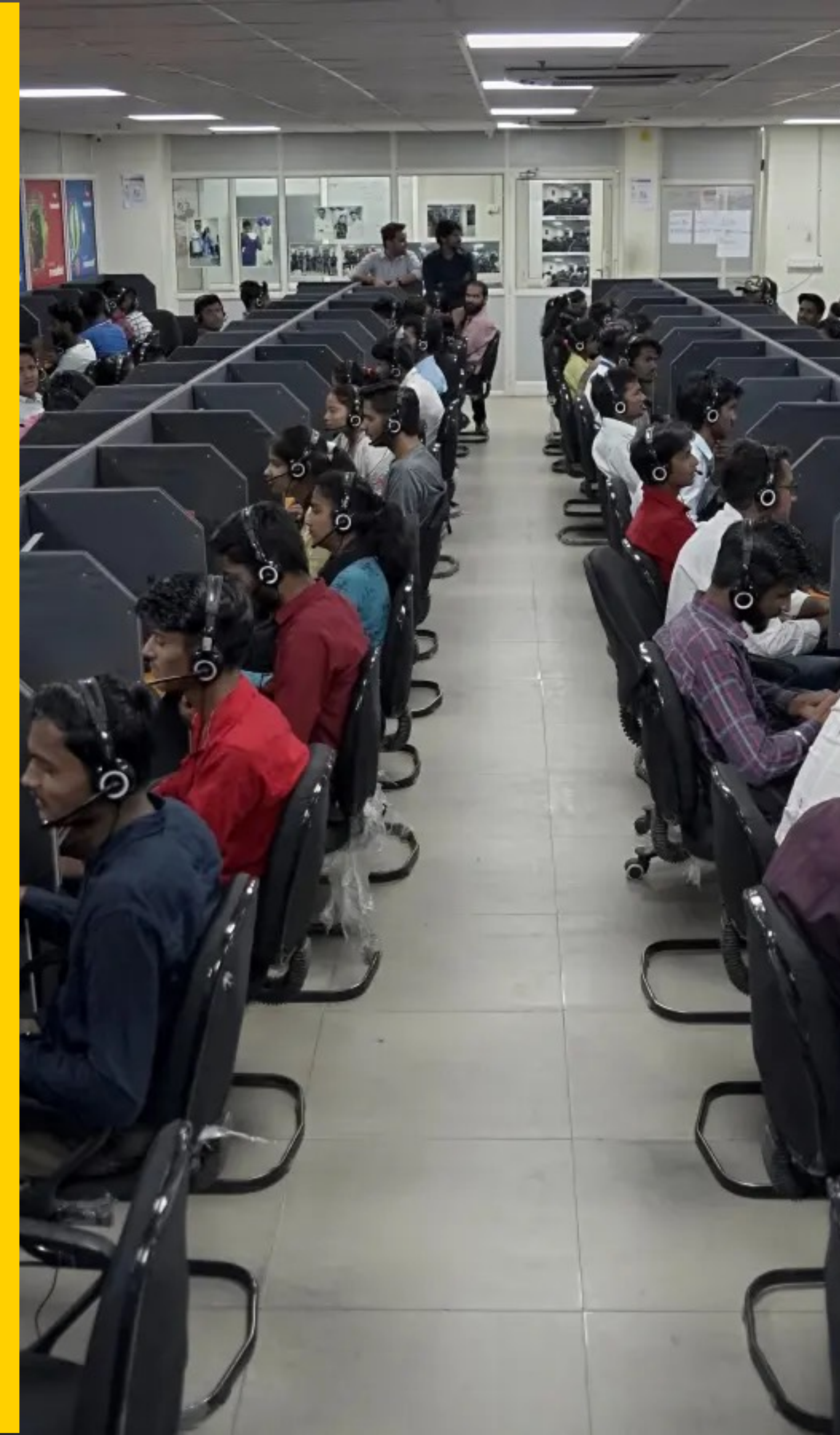


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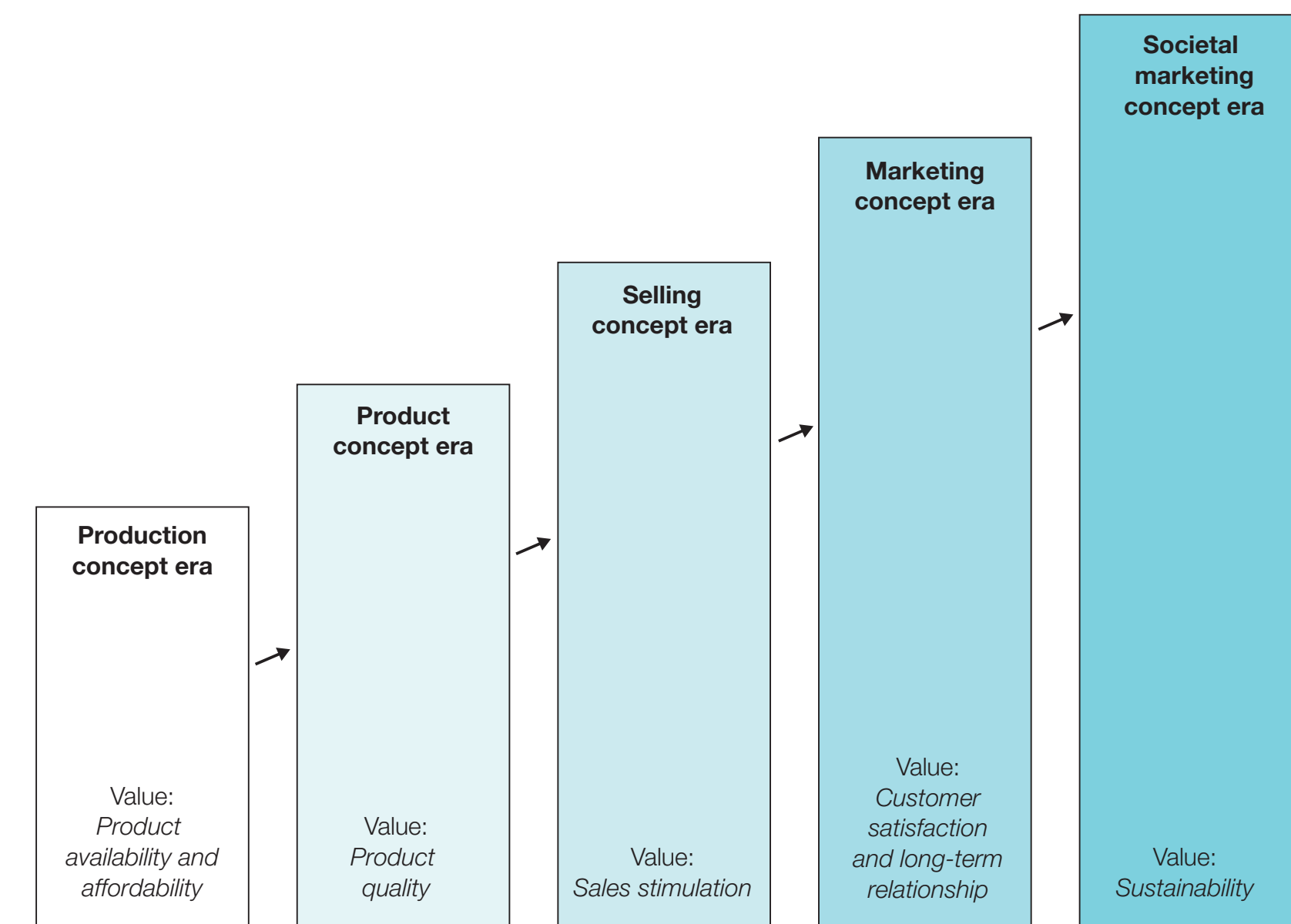
Production
Concept Today

What China did in
manufacturing,
India did with
information
technology (IT)
services by mass
producing talent
for IT.



Product Concept Era

- The role of marketing was to offer products that the company determined to be of 'best value' to the consumer
- Value: Product quality

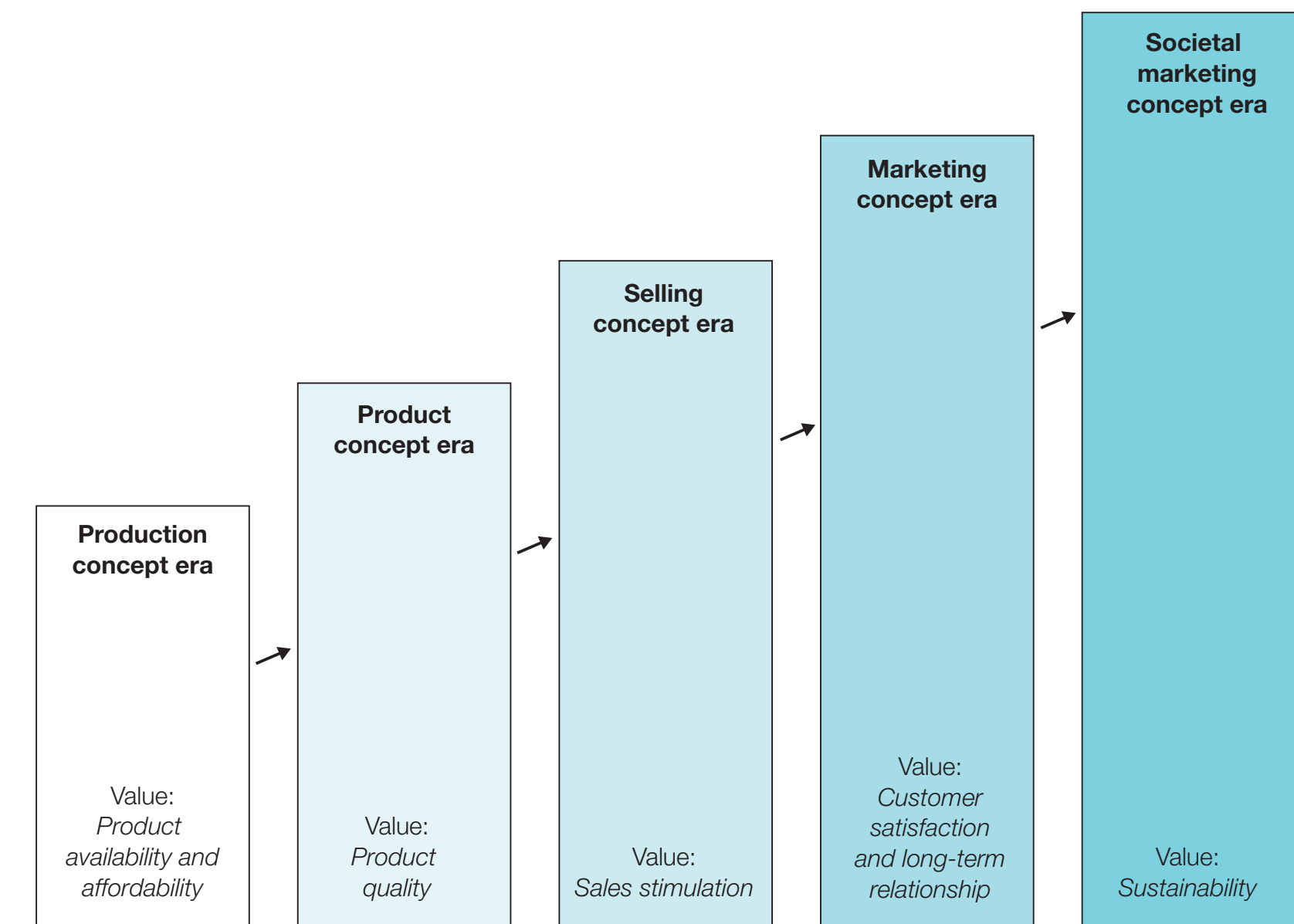


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Product Concept Today

- Apple is a company that works heavily on product concepts to deliver the best products to its consumers. Apple's products are renowned for their exceptional quality, innovative features, and outstanding performance. Customers seek out Apple's products, creating a marketing pull.



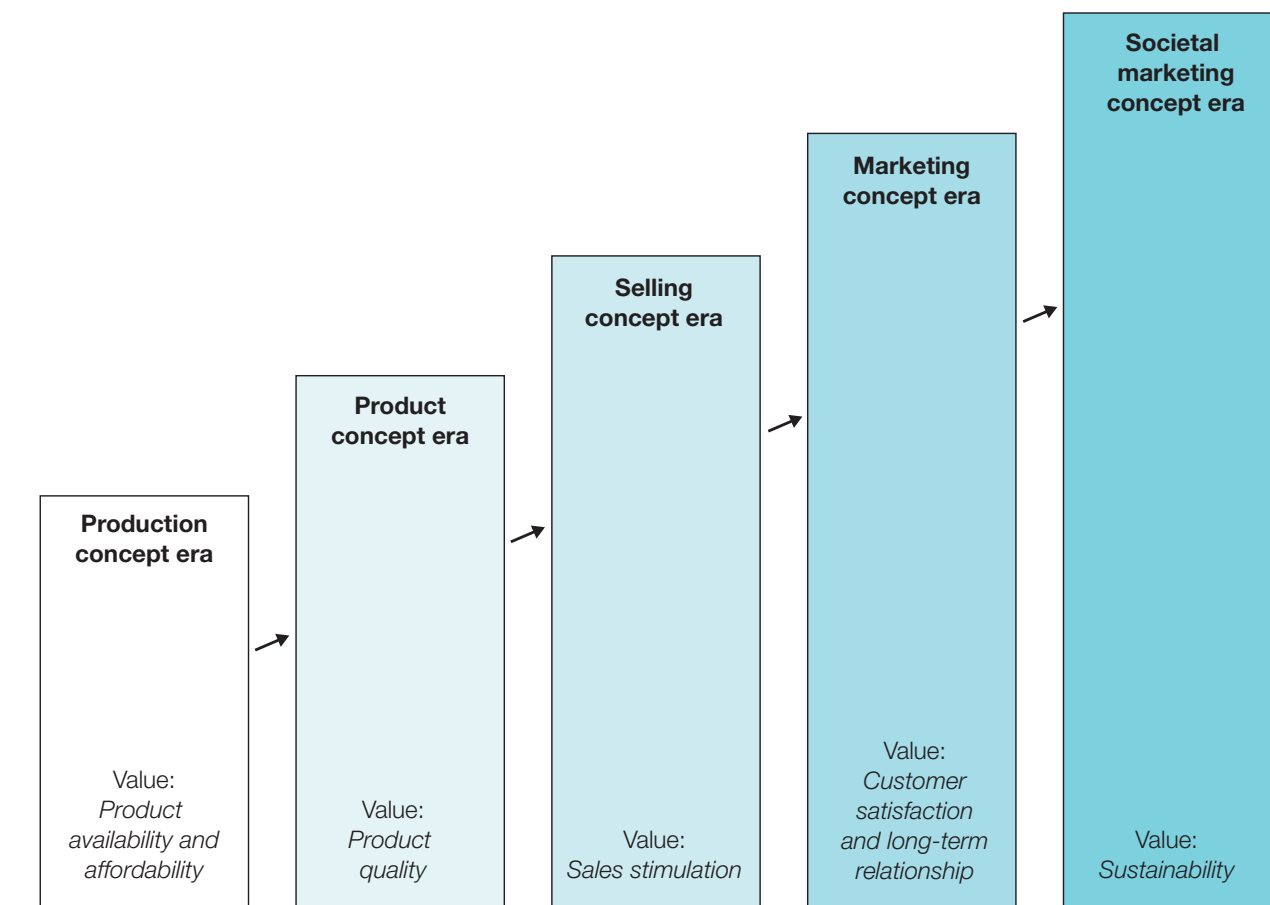
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Product Concept Today

Selling Approach: "Build a better product and they will come."

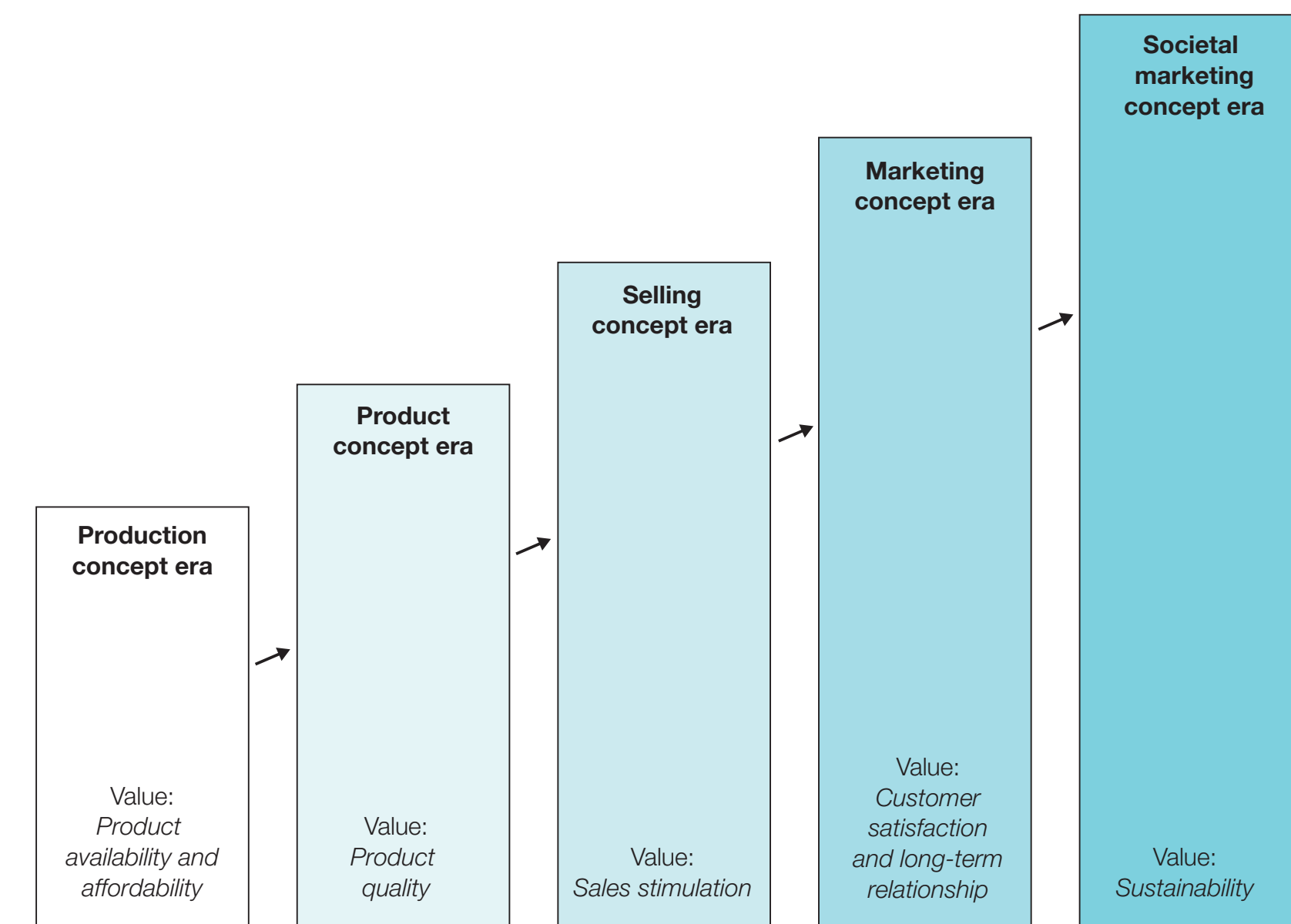
- Method: Emphasise quality, innovation, and performance.
- Message: "Our product is superior. Trust us to know what you need."
- Customer Role: Assumed to value excellence and innovation over price or accessibility.
- Example: Apple markets innovation, aesthetics, and performance, often before demand exists.



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Selling Concept Era

- The marketing role is about enabling the company to maximise sales through transactions.
- Value: Sales stimulation



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Selling Concept Today

One of the most common examples of selling a concept is the insurance industry. Insurance companies allocate a significant portion of their budget to promoting insurance products, with sales efforts being a substantial part of it. Insurance agents and managers promote the products on a large scale and explain the benefits to the target audience. Insurance companies also form partnerships at the group level with other companies.

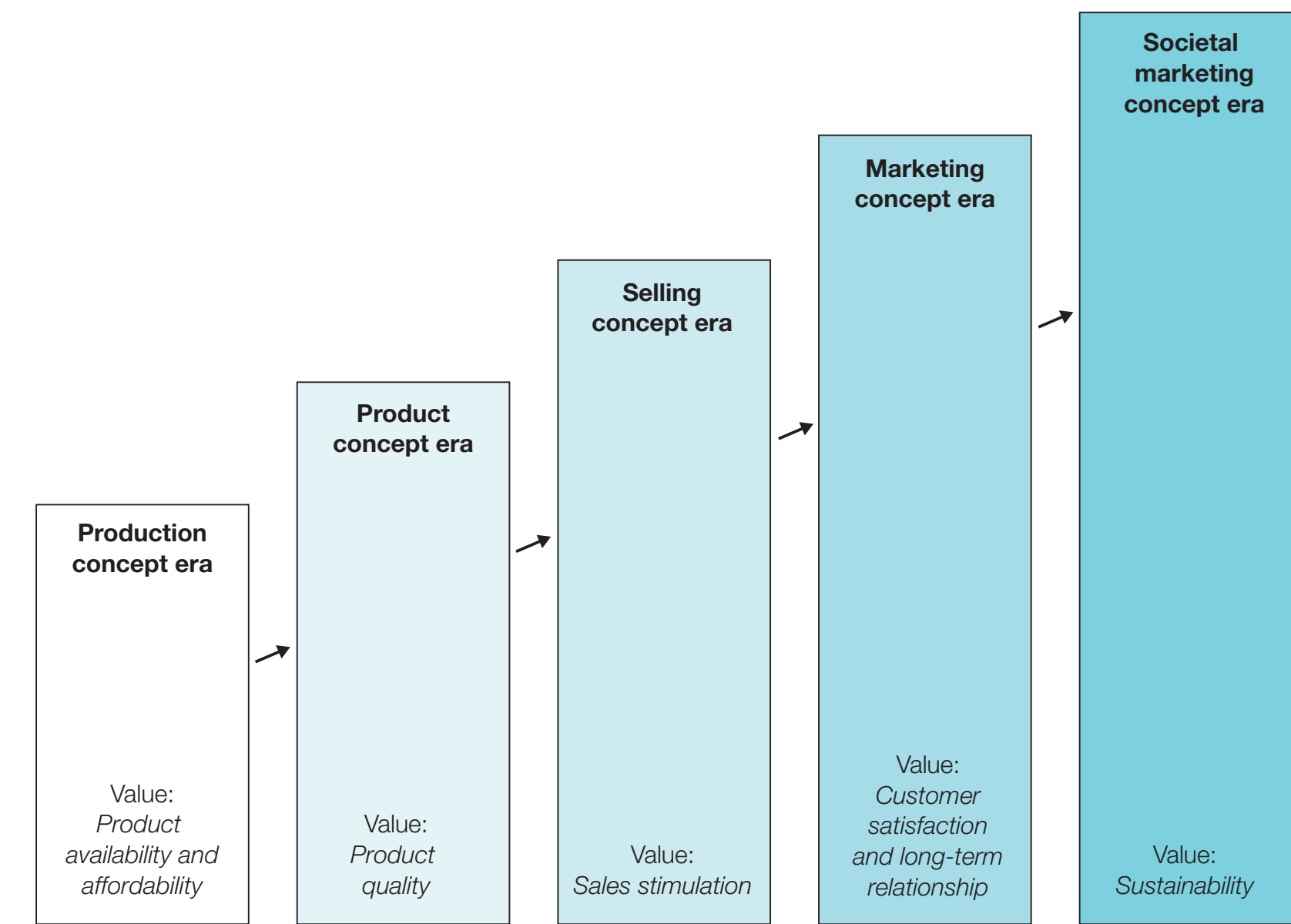
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Selling Concept

Selling Approach: "Convince them to buy it."

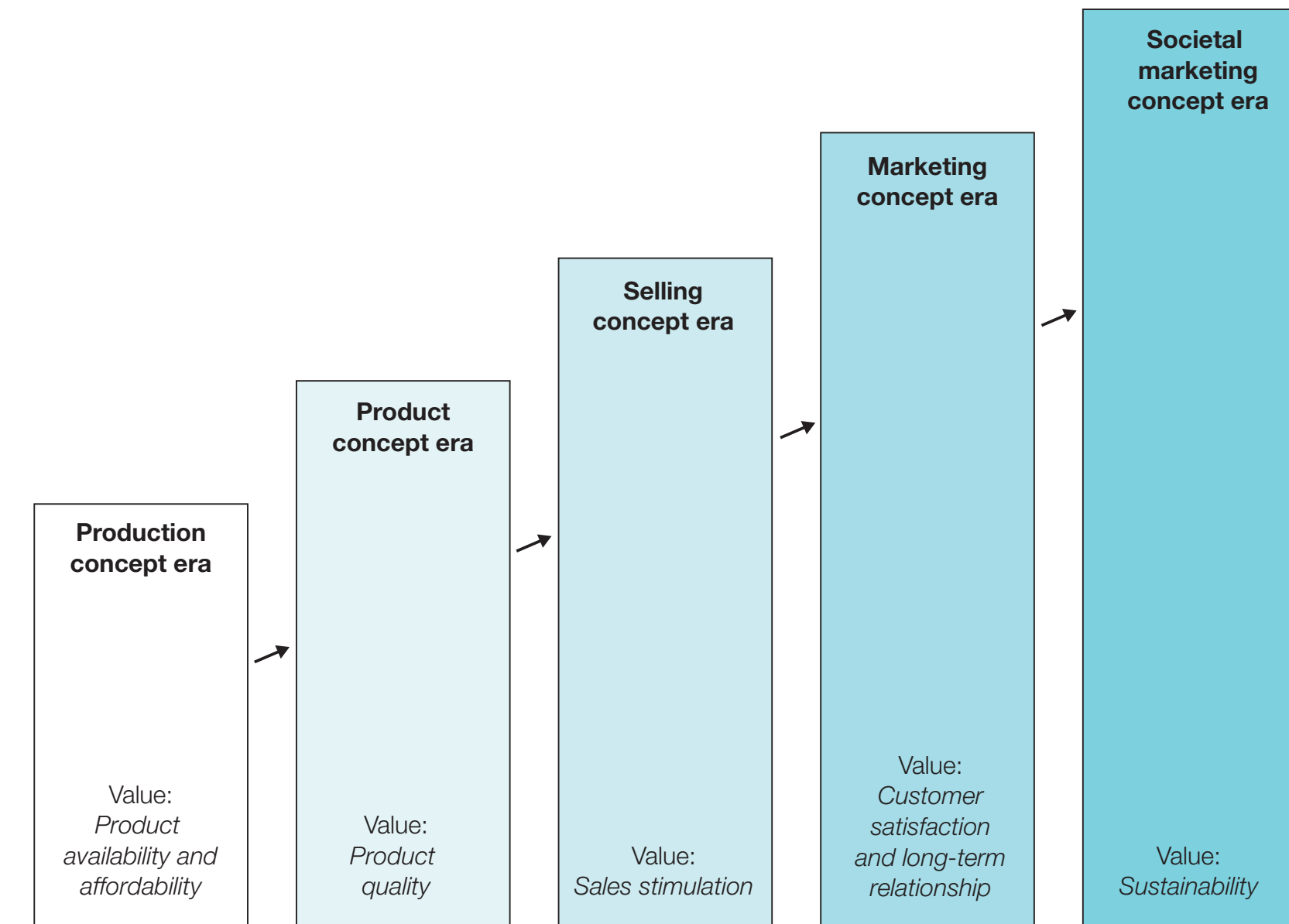
- Method: Aggressive promotion, persuasion, often with high-pressure sales.
- Message: "You need this. Here's why. Buy now."
- Customer Role: Passive recipient of the sales pitch.
- Example: Insurance or timeshare sales—driven by cold calls, emotional appeal, and urgency. Emotional selling techniques – focusing on fear (e.g., "what happens to your family if you die unexpectedly?").



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Marketing Concept Era

- Marketing is focused on identifying consumer needs and wants, and designing the marketing mix elements to meet these needs and wants more effectively and efficiently than the competitors.
- **Value:** Consumer satisfaction and long-term relationships



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Marketing Concept 4 P's

- **The Product** can be either tangible, which has an independent physical existence (from needles to motor parts), or intangible, such as services in the IT and tourism industries.
- The **Price** of a product determines the offering which customers are willing to give to buy that product.
- The market where the product is sold is known as **the Place**. The markets should be convenient for consumers to access.
- The method of communication by which the marketer provides information about the product is known as **Promotion**. It included advertisements, personal selling, word-of-mouth publicity, and other forms of promotion.

The **original 4Ps** were introduced by E. Jerome McCarthy (1960).

The **additional 3Ps** were added by Booms and Bitner (1981) to tailor the model for service-based industries.

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Marketing Concept 4 P's

Selling Approach: "Find out what people want—and give it to them."

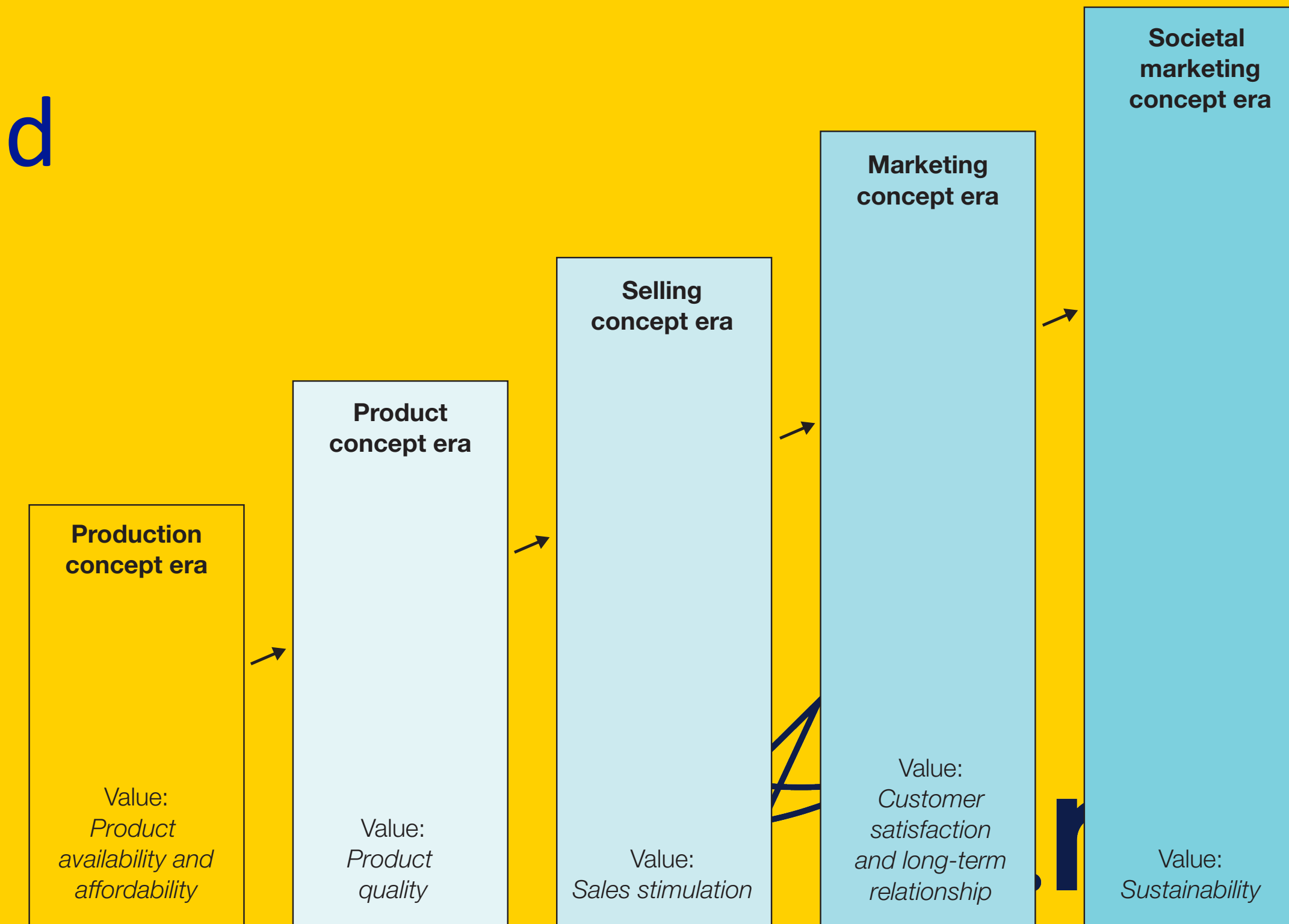
- Method: Research-based, needs-driven marketing and product design.
- Message: "We understand you. Let us serve you better than anyone else."
- Customer Role: Central and empowered. Products are tailored to their preferences.
- Example: Amazon uses data to refine and personalise product recommendations and experience.

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Societal Marketing Concept Era

- The marketing concept era was good for both customers and companies. However, it needs to incorporate social welfare.
- Customers are now more informed and challenging companies to be more responsible to society
- Value: Sustainability



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The Body Shop is a well known cosmetic brand which has followed the societal marketing concept rigorously. The company uses only plant-based materials for its products. It is against animal testing, defends human rights, supports community trade, and works for the overall protection of the planet. They have established their own charity foundation to support the cause.

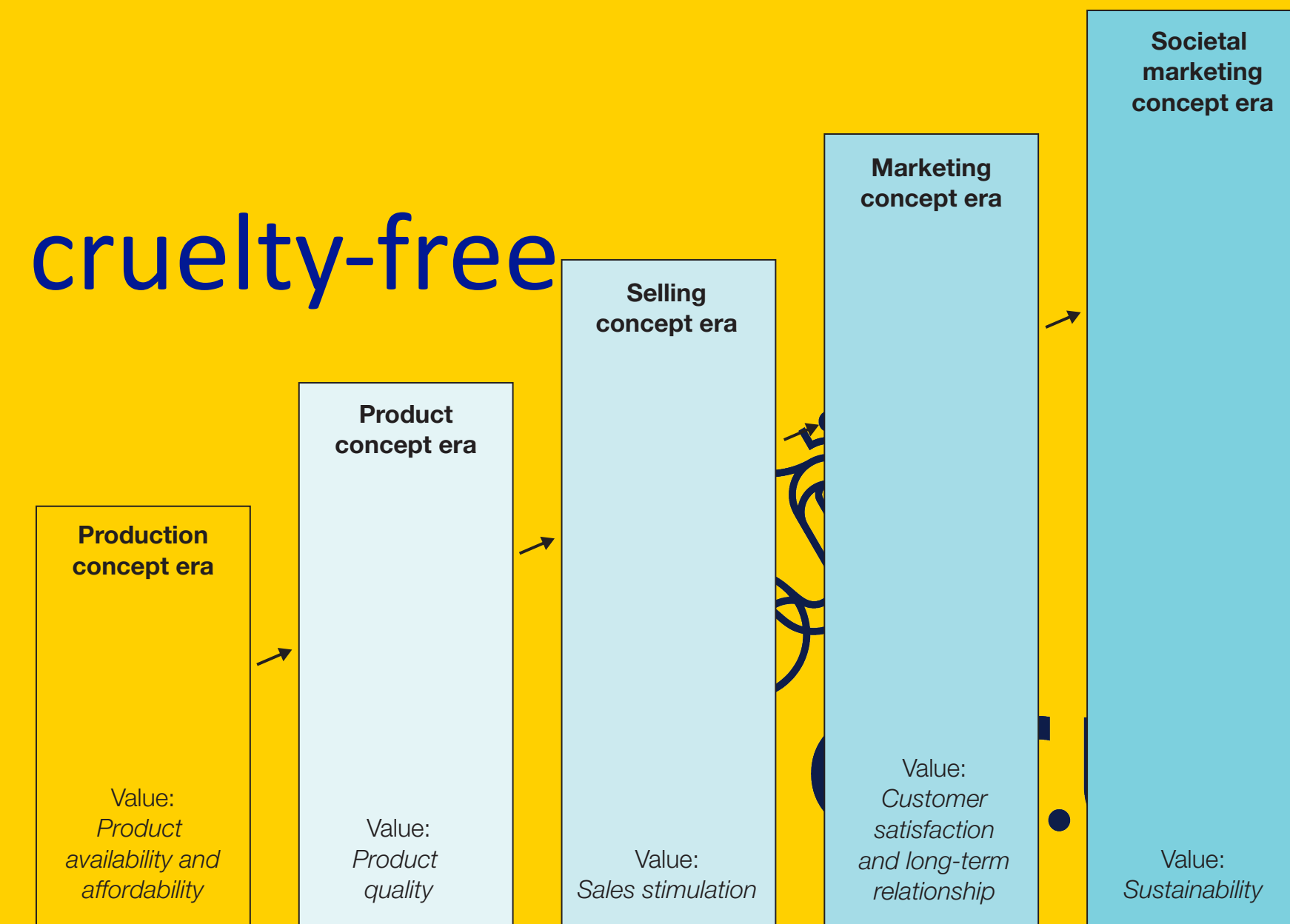




Societal Marketing Concept Era

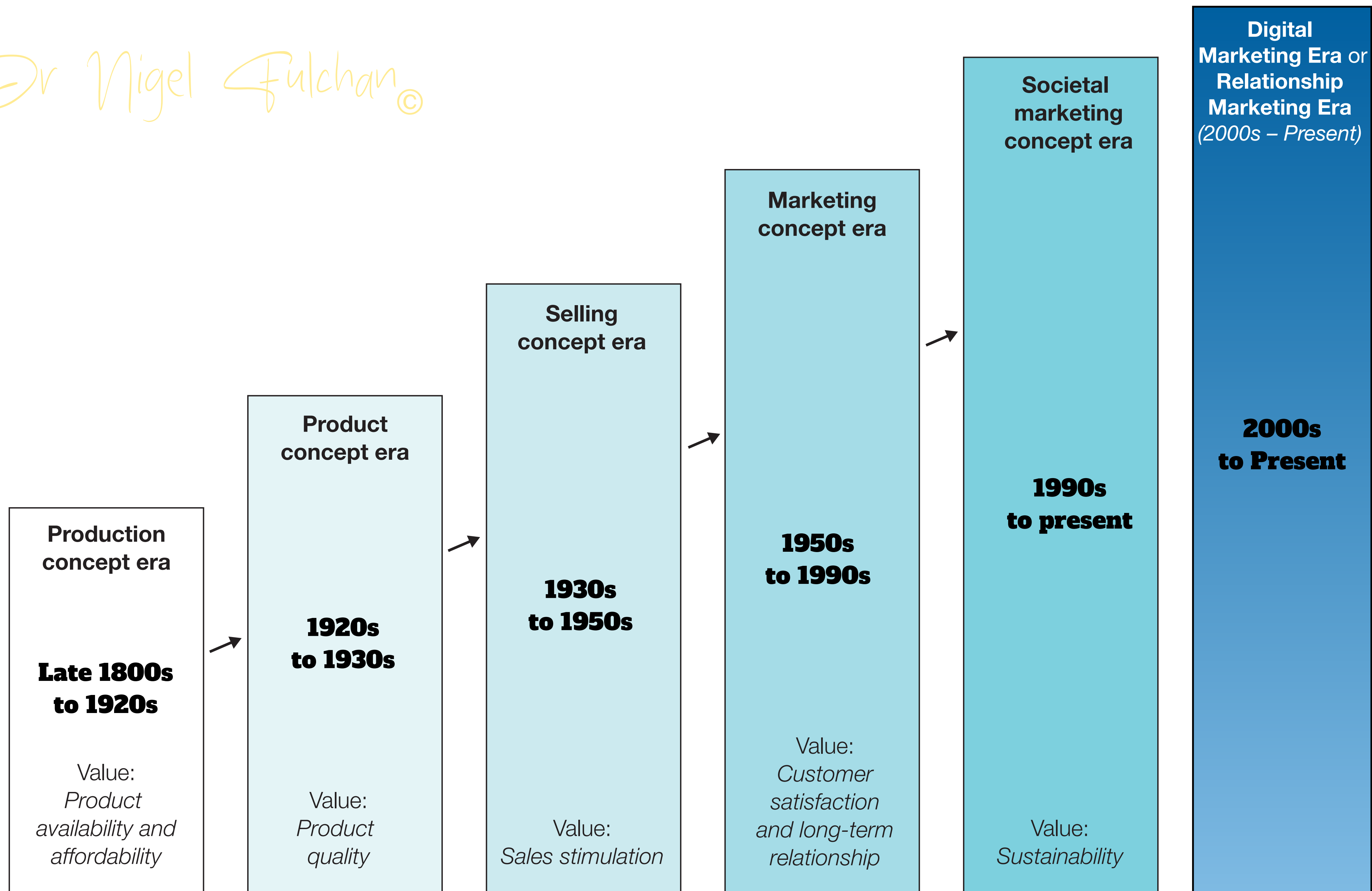
Selling Approach: "Do good while doing business."

- Method: Combine consumer needs with environmental or social ethics.
- Message: “Buy from us, it’s good for you, and good for the world.”
- Customer Role: Conscious consumer who cares about values and sustainability.
- Example: The Body Shop markets ethically sourced, cruelty-free products with a purpose.



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Digital Marketing Era & Relationship Marketing Era (2000s – Present)

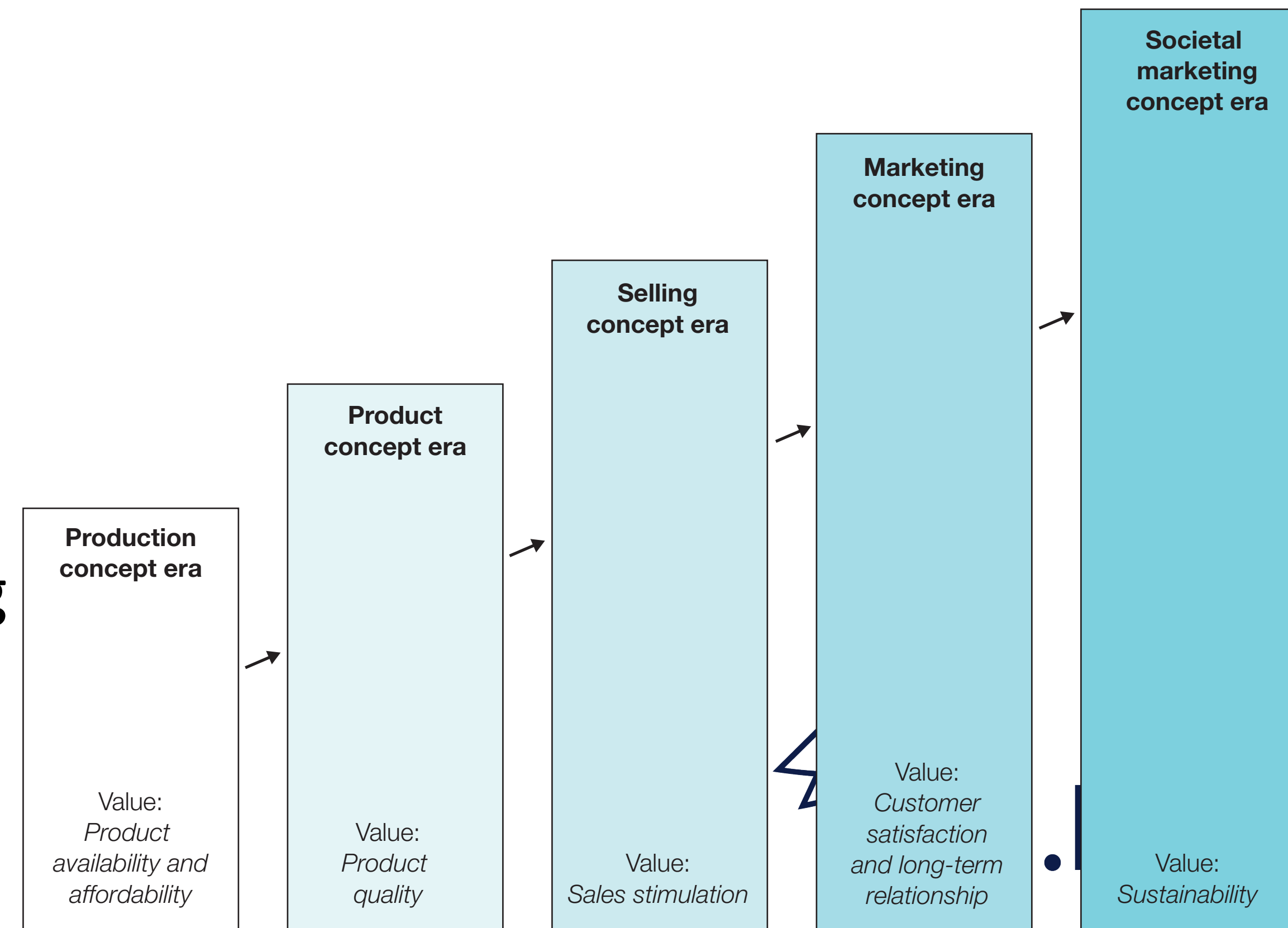
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Focus: Leveraging digital technologies, data analytics, social media, AI, and personalisation to engage customers.

Value Proposition: Real-time interaction, convenience, targeted marketing, and customer empowerment.

Key Features:

- SEO, content marketing, email campaigns
- E-commerce and mobile marketing
- Customer data tracking and behavioural targeting
- Use of platforms like Google, Facebook, Instagram, and TikTok



Digital Marketing Era & Relationship Marketing Era (2000s – Present)

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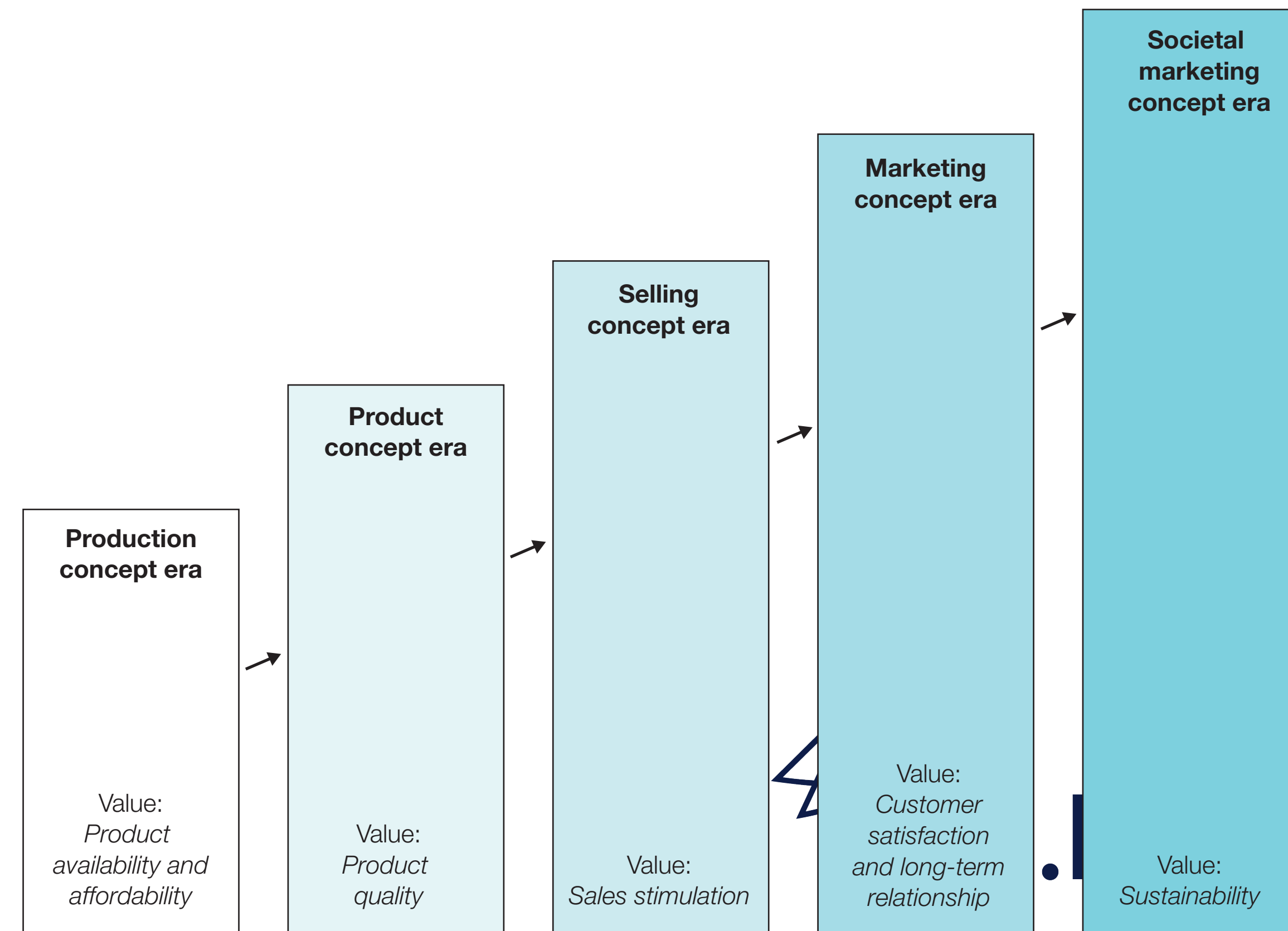
2. Relationship Marketing Era (runs parallel to digital marketing)

Timeframe: 1990s to present

- **Focus:** Building long-term customer relationships over one-time transactions.
- **Value Proposition:** Trust, loyalty, engagement, and lifetime customer value.

Key Features:

- Loyalty programs
- CRM systems
- Customer feedback loops
- Personalised communication and service

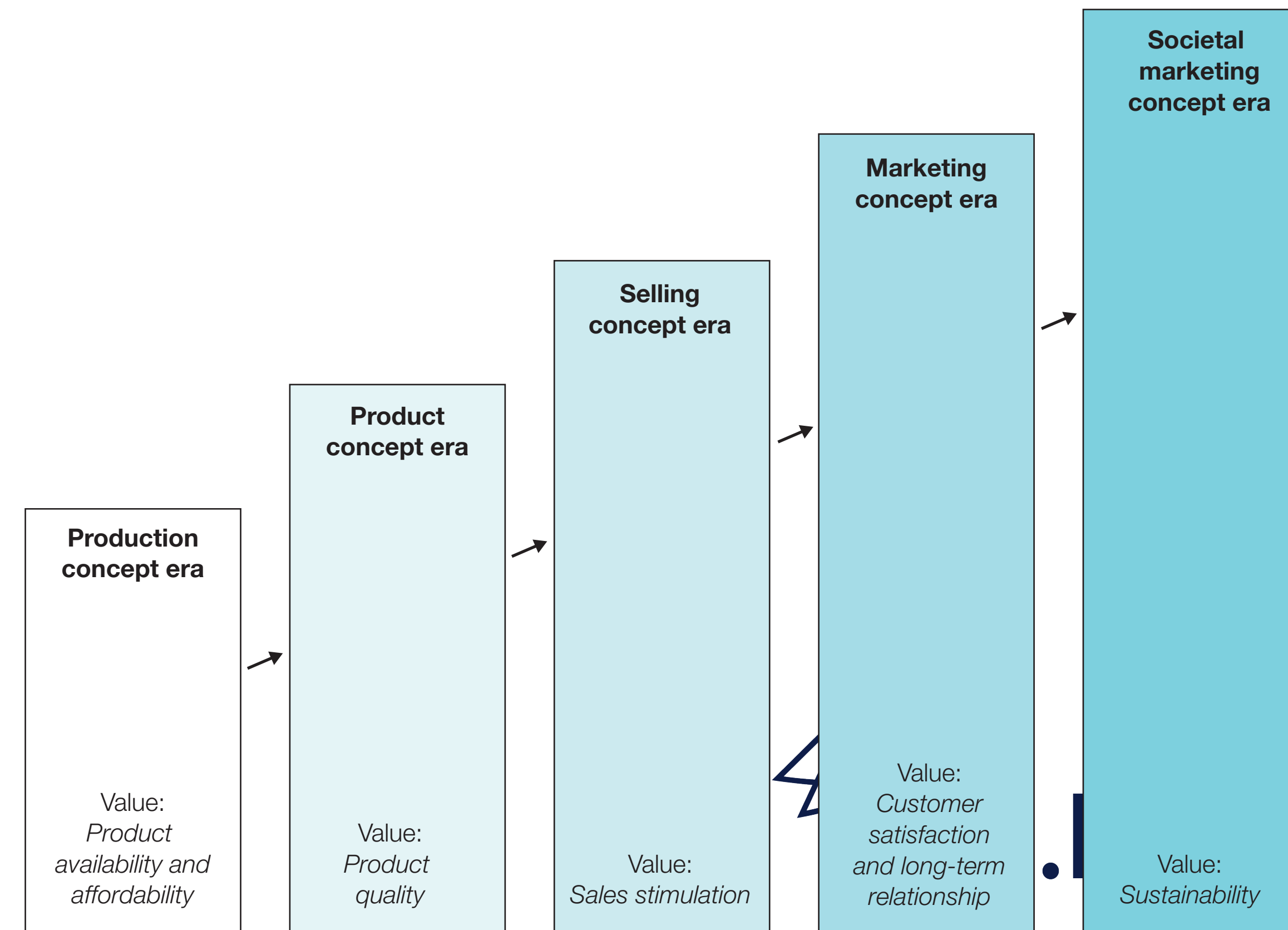


Digital Marketing Era & Relationship Marketing Era (2000s – Present)

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Selling Approach: "Engage, personalise, and build loyalty."

- Method: Use data, CRM systems, and platforms to create personalised experiences.
- Message: "We know what you love and we're here for the long term."
- Customer Role: Active partner in co-creating value through engagement and feedback.
- Example: Starbucks utilises its app, loyalty rewards, and user data to foster emotional connections and encourage repeat purchases.



From Transactional to Relational

	Transactional Marketing
Focus on	Obtaining new customers
Orientation to	Service features
Timescale	Short
Customer service	Little emphasis
Customer commitment	Limited
Customer contact	Limited
(Payne, 1994)	
Quality	Primarily operations concerns

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Assignment

External environment analysis – 30% of the total mark

Using appropriate marketing models, such as PESTLE, Porter's Five Forces- Benchmarking, competitor analysis, to include the analysis of:

MACRO environment analysis:

- *PESTLE analysis to identify key drivers of change (based on the possible level of impact)*

MICRO environment analysis:

- *Industry Five Forces analysis to understand the intensity of competition and the relative attractiveness of a market.*
- *Customer Segmentation analysis to share a summary of current customers/ users utilising segmentation variables.*

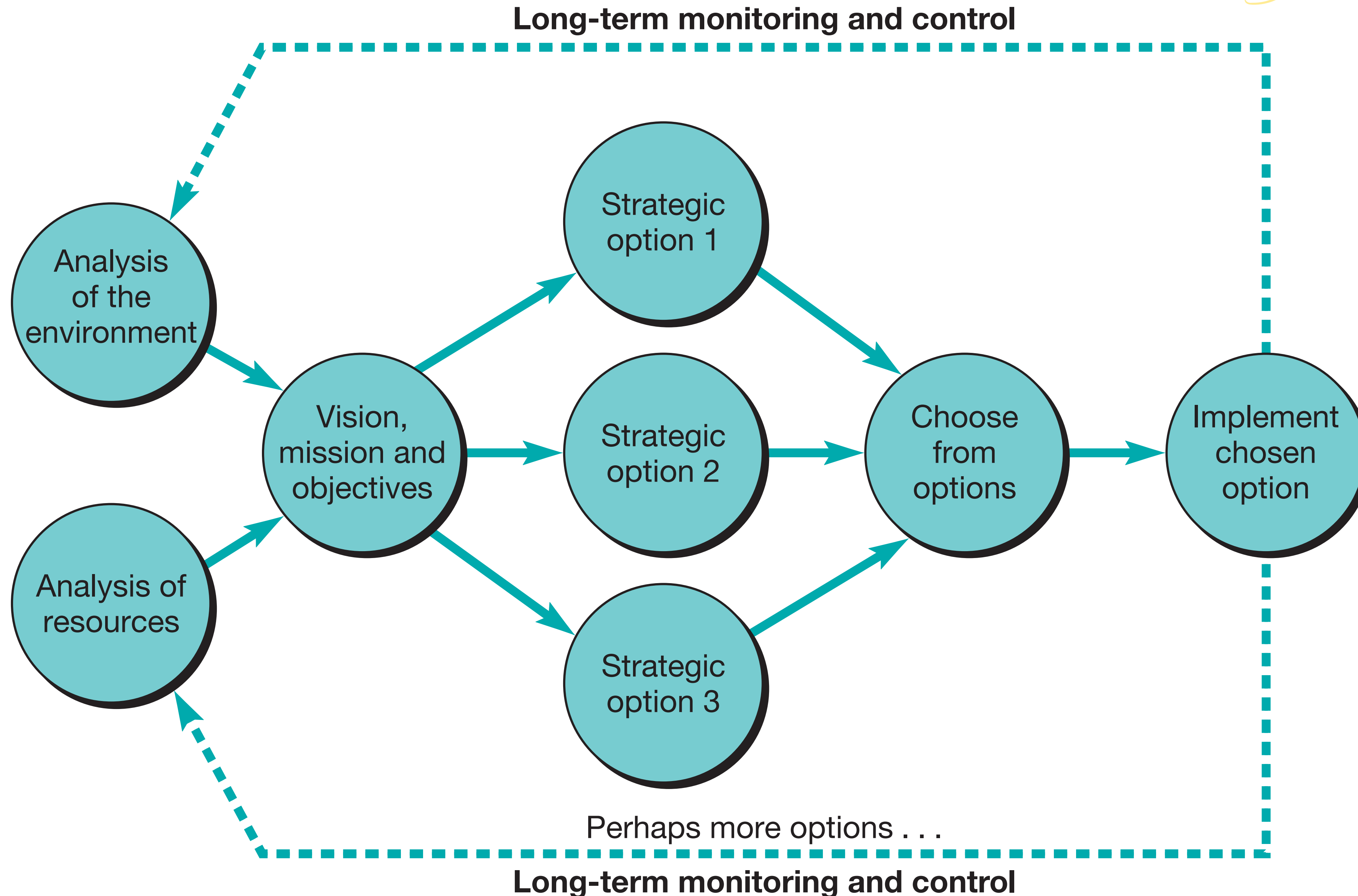
These analyses should point to the company's **opportunities and threats**.





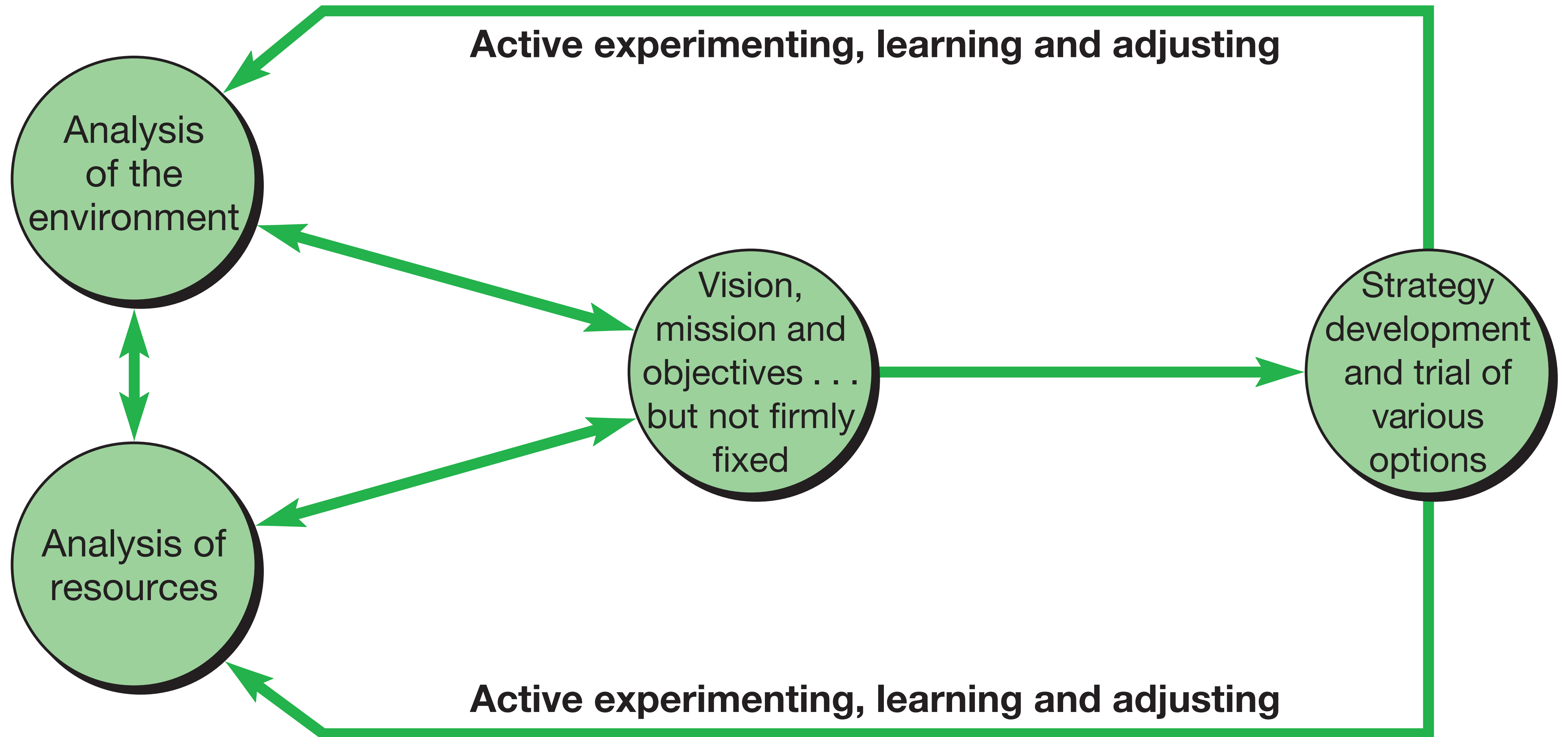
Are
customers
always
right?

Why can't he get breakfast?



Taking into account the analysis of the internal and external environment conducted, recommend a new product or service (or modification/improvement or expansion of an existing product/service) for the chosen company.

The **emergent** strategic purpose



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PRESTCOM

P = Political

R = Regulatory

E = Economic

S = Social

T = Technological

C = Competitive

O = Organisational

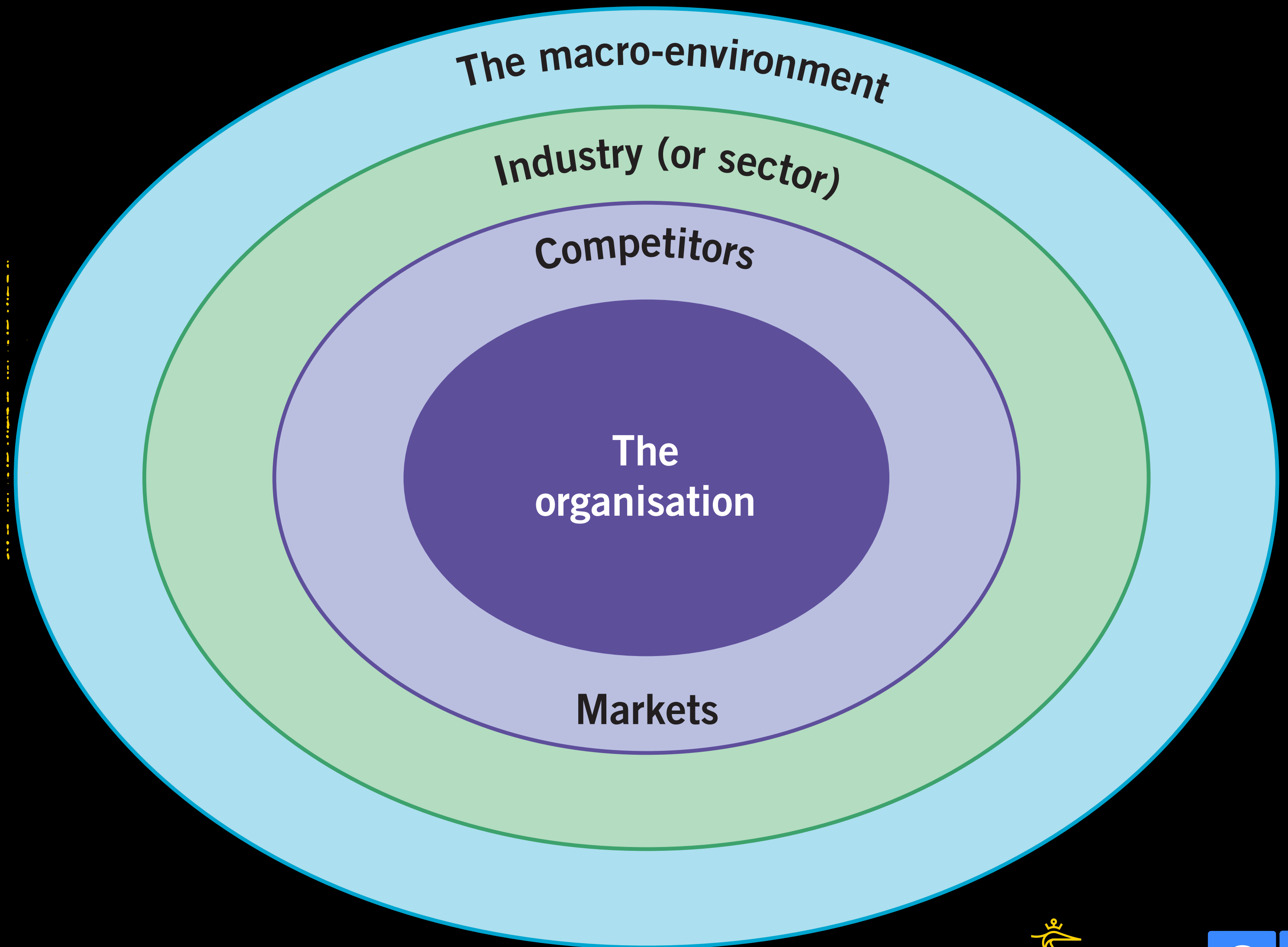
M = Market



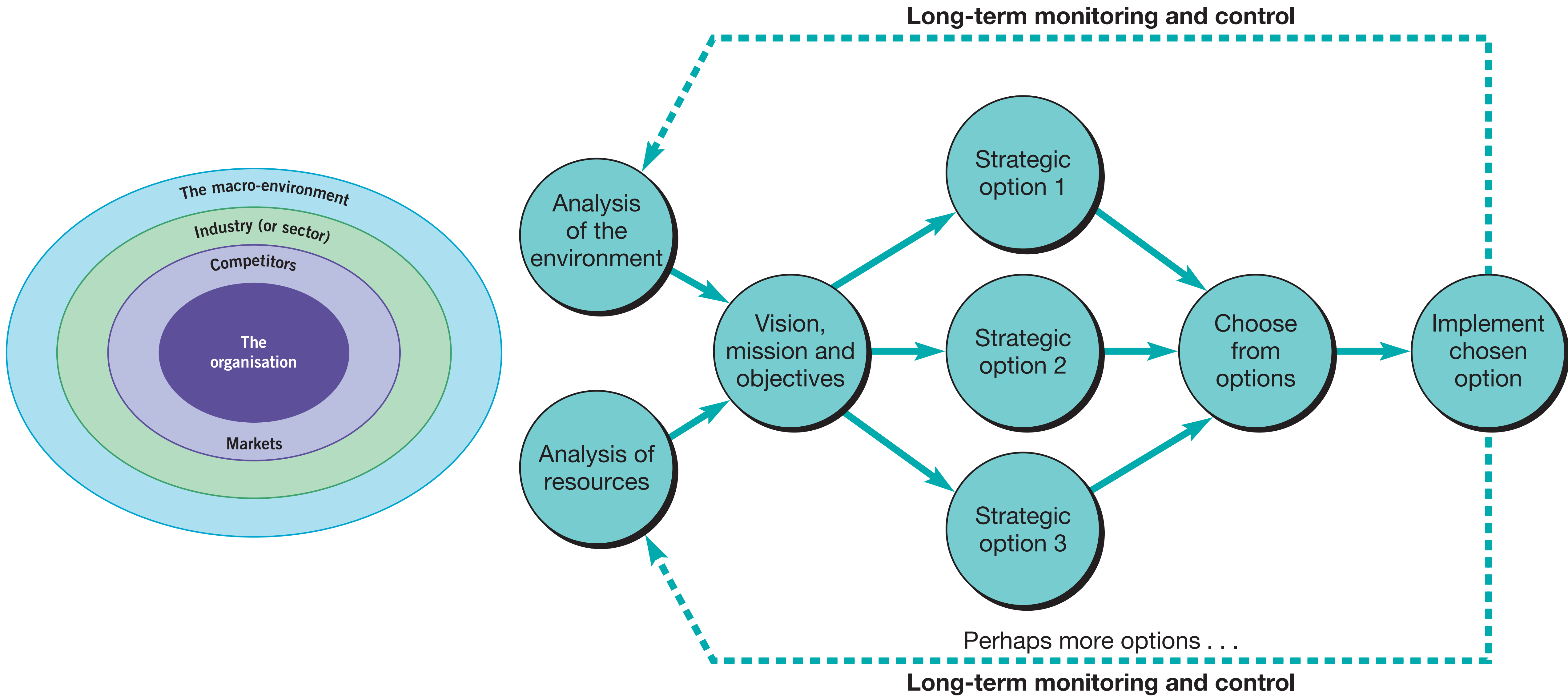
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LAYERS OF THE ENVIRONMENT

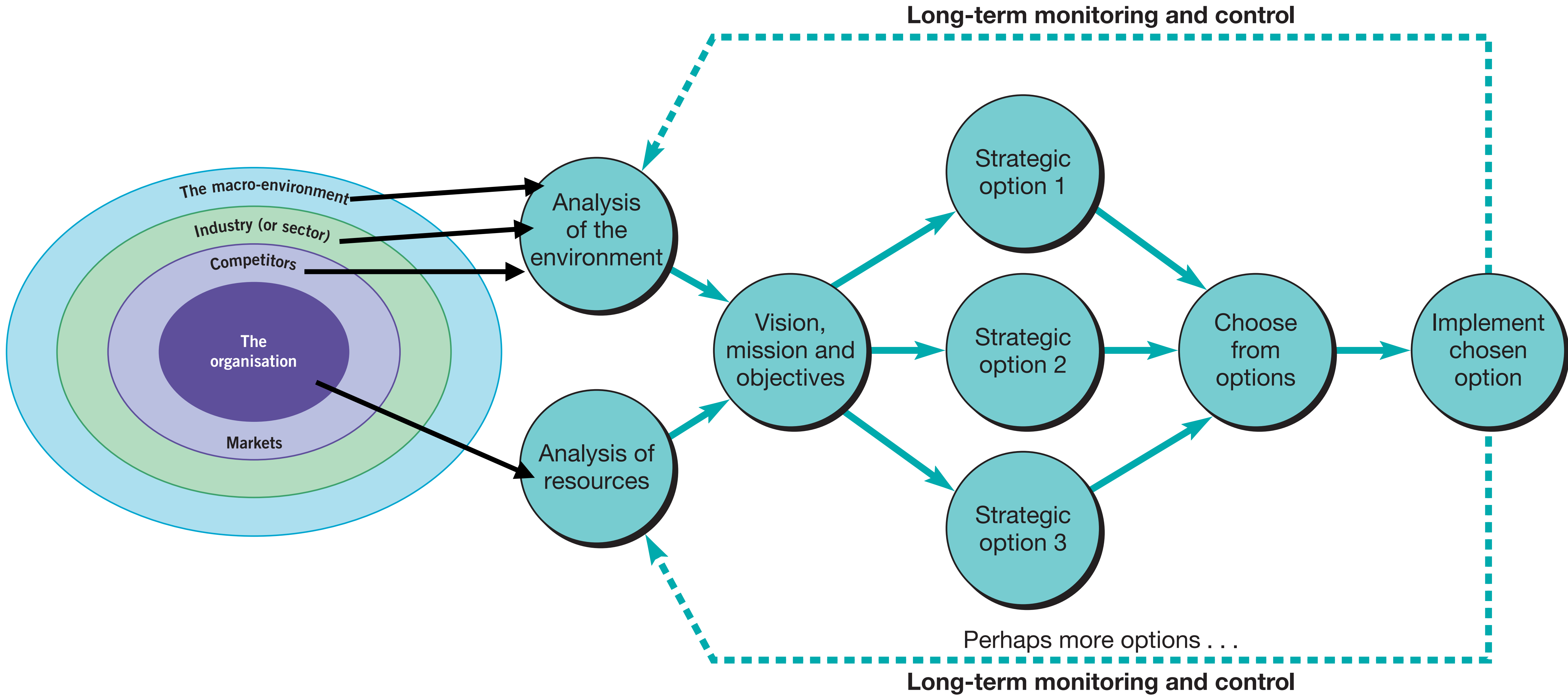
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The **prescriptive** strategic purpose



The **prescriptive** strategic purpose



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PESTLE ANALYSIS



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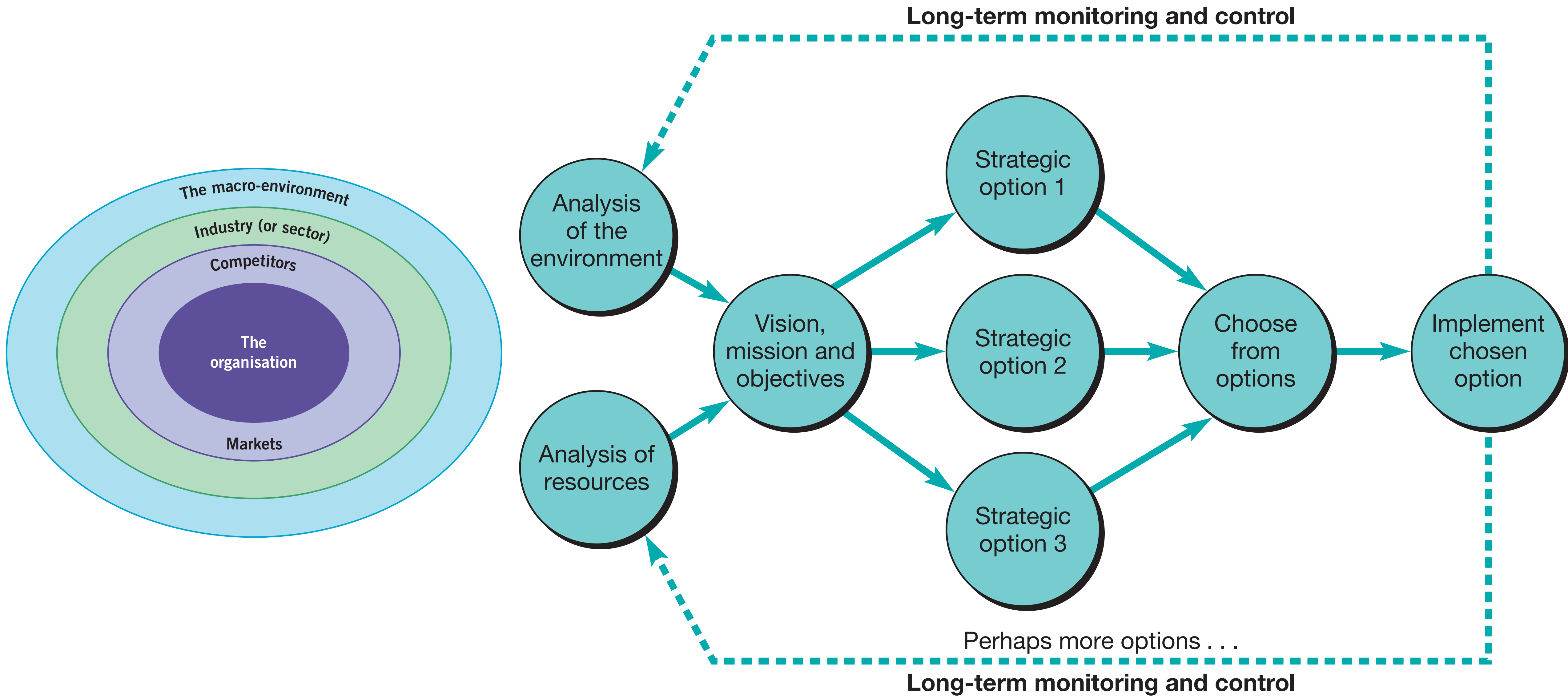
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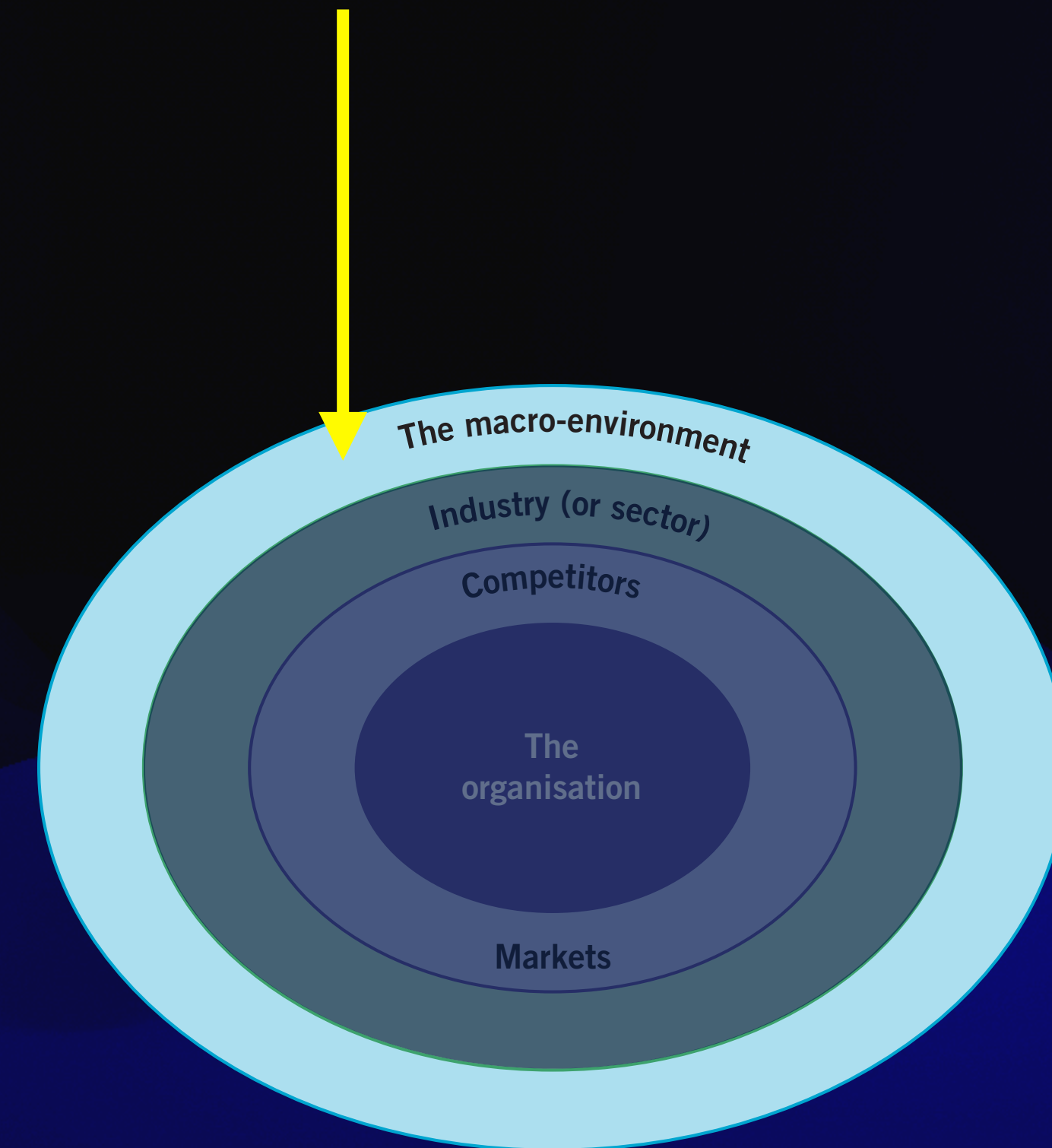
The **prescriptive** strategic purpose



Macro-environment

The macro-environment consists of broad external factors that impact to a greater or lesser extent many organisations, industries and sectors.

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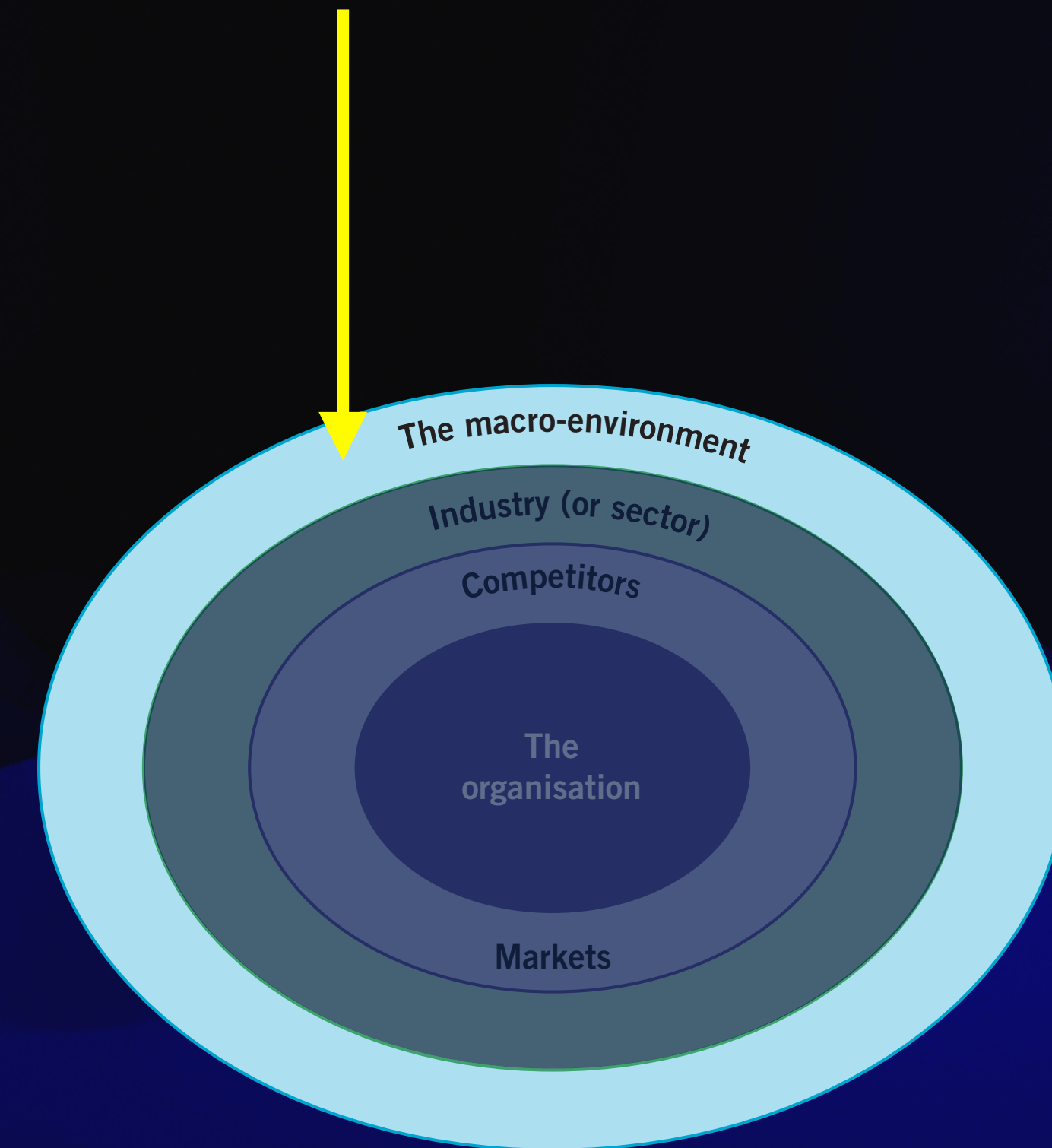
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PESTLE

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PESTLE analysis is a strategic tool for identifying and analysing the external macro-environmental factors that could impact an organisation. This analysis can help businesses identify opportunities and threats affecting their operations and strategic decisions.

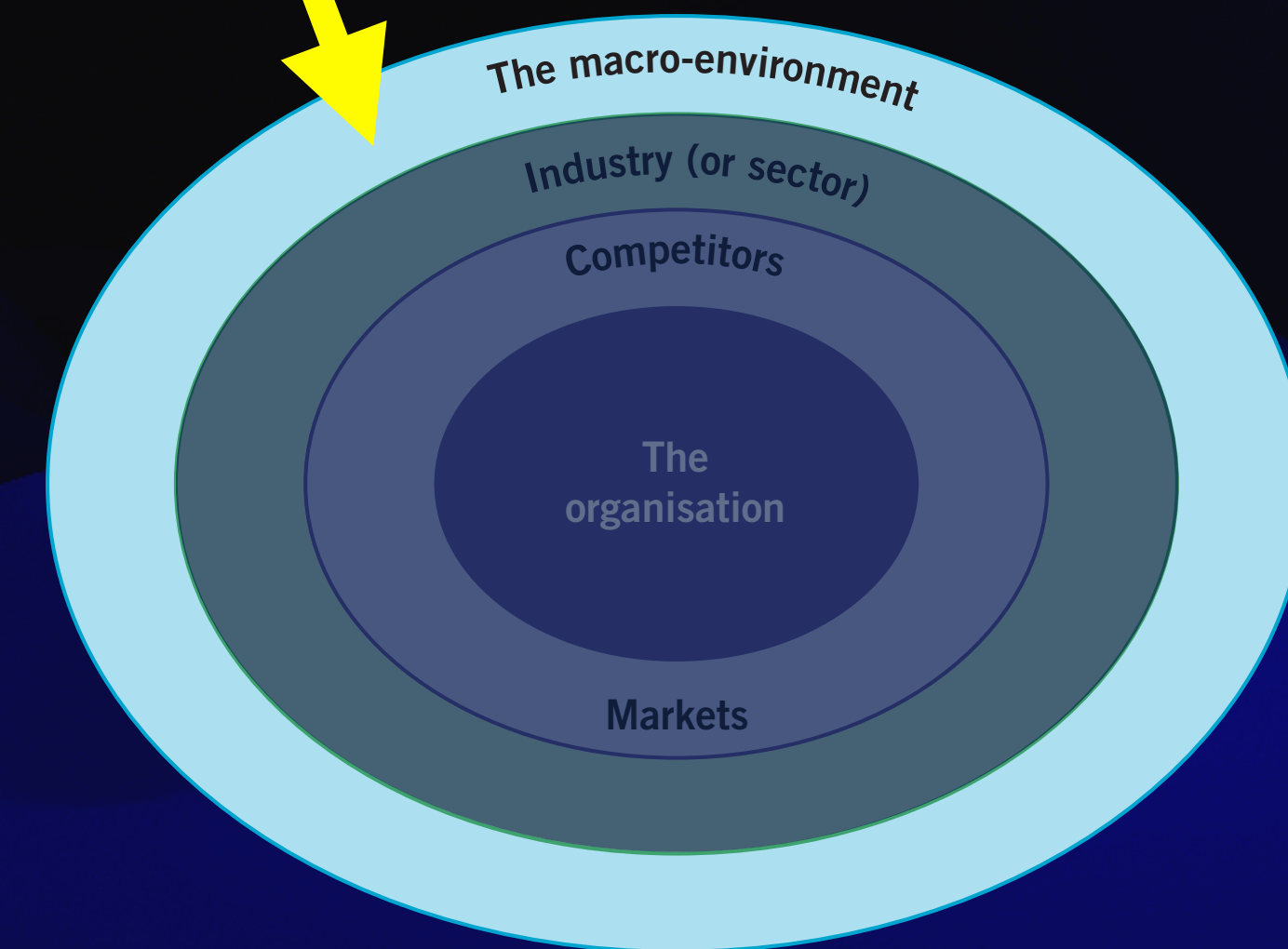
PESTLE ANALYSIS



The acronym stands for **Political, Economic, Social, Technological, Legal, and Environmental** factors. It is commonly applied in strategic planning and market research to provide a detailed understanding of the business environment.

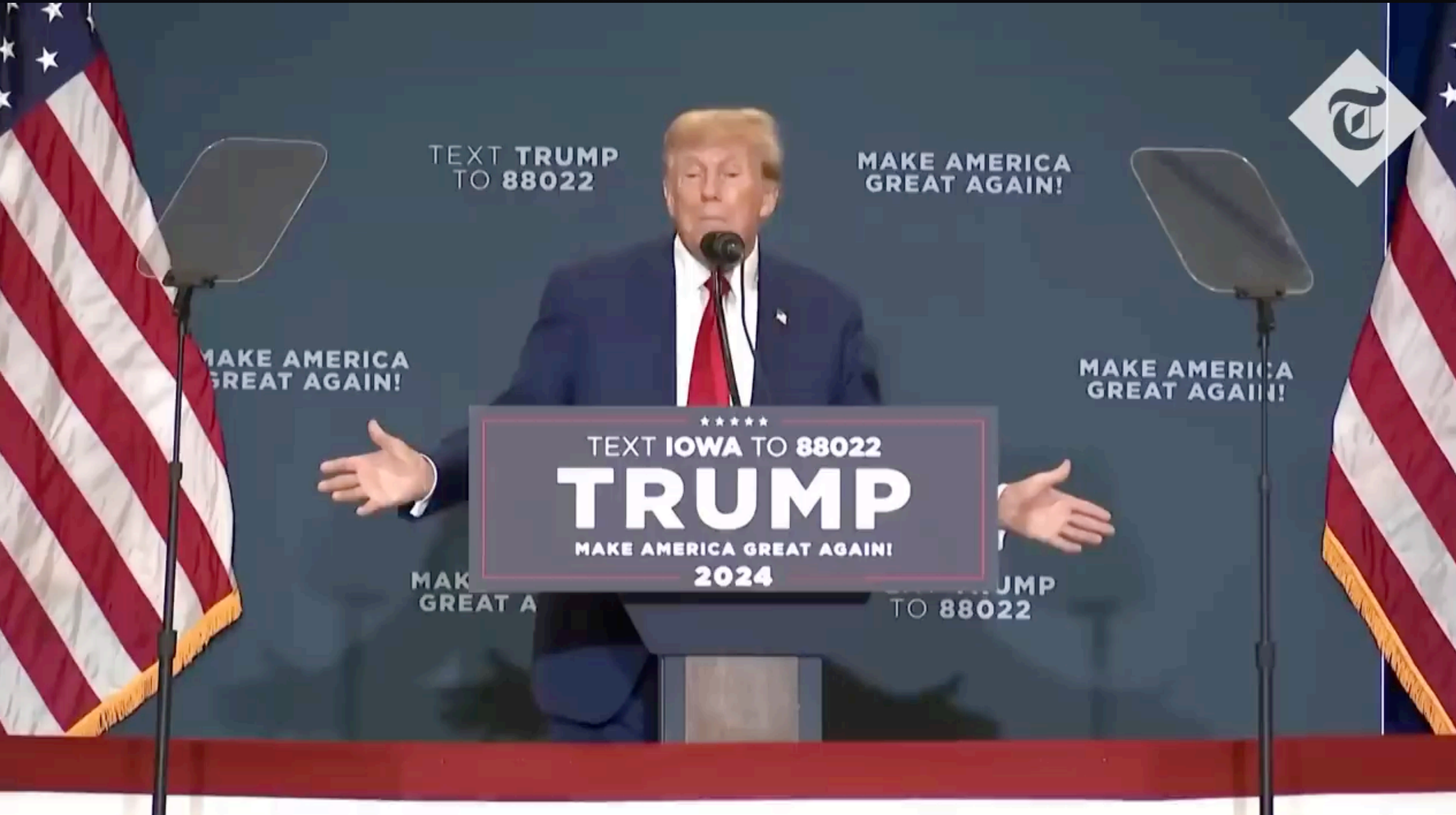


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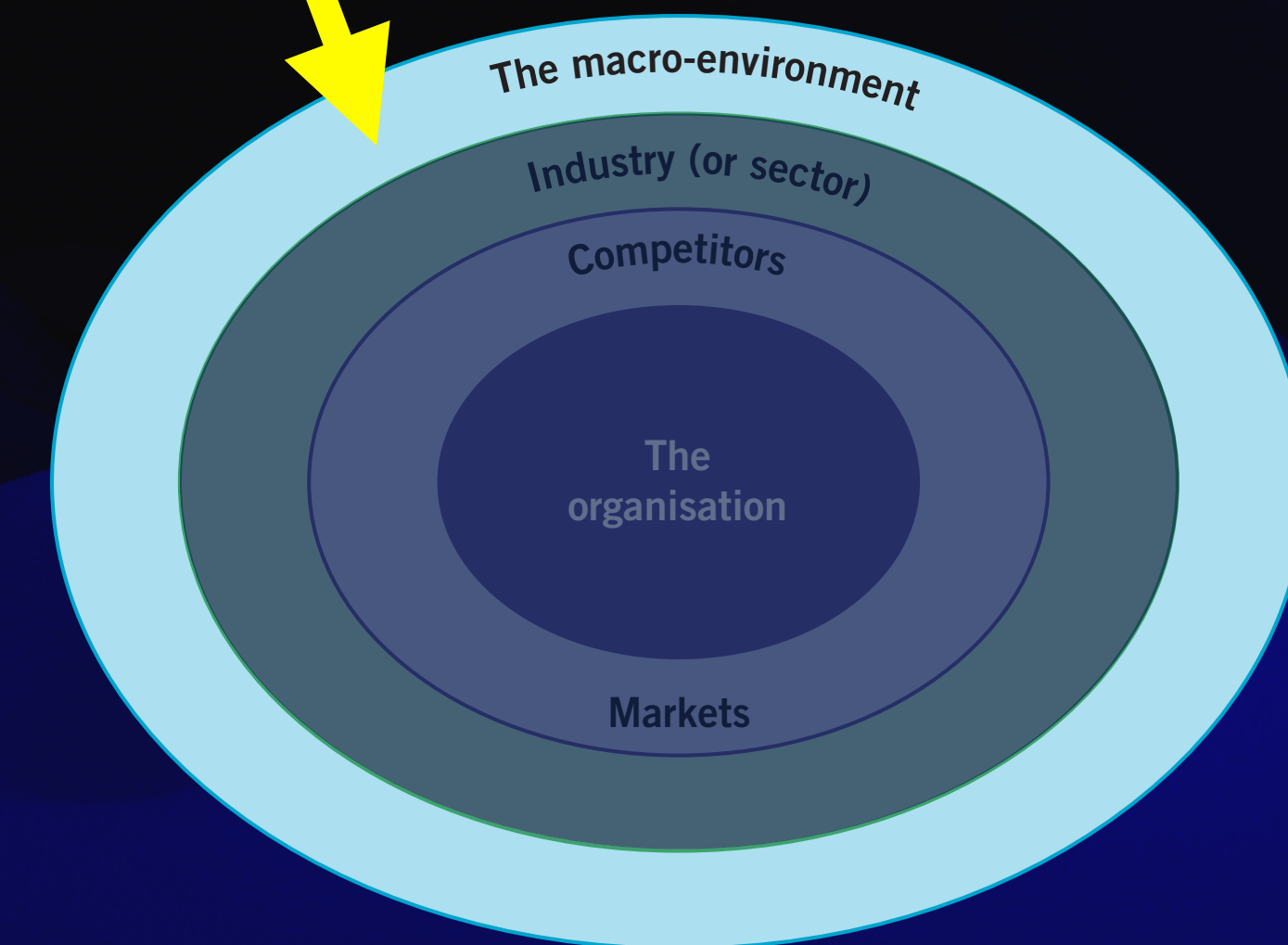


Political factors represent the impact of government policies and actions on businesses. These include trade regulations, tax policies, political stability, and foreign relations. Political decisions can shape the business environment, providing opportunities or posing threats.

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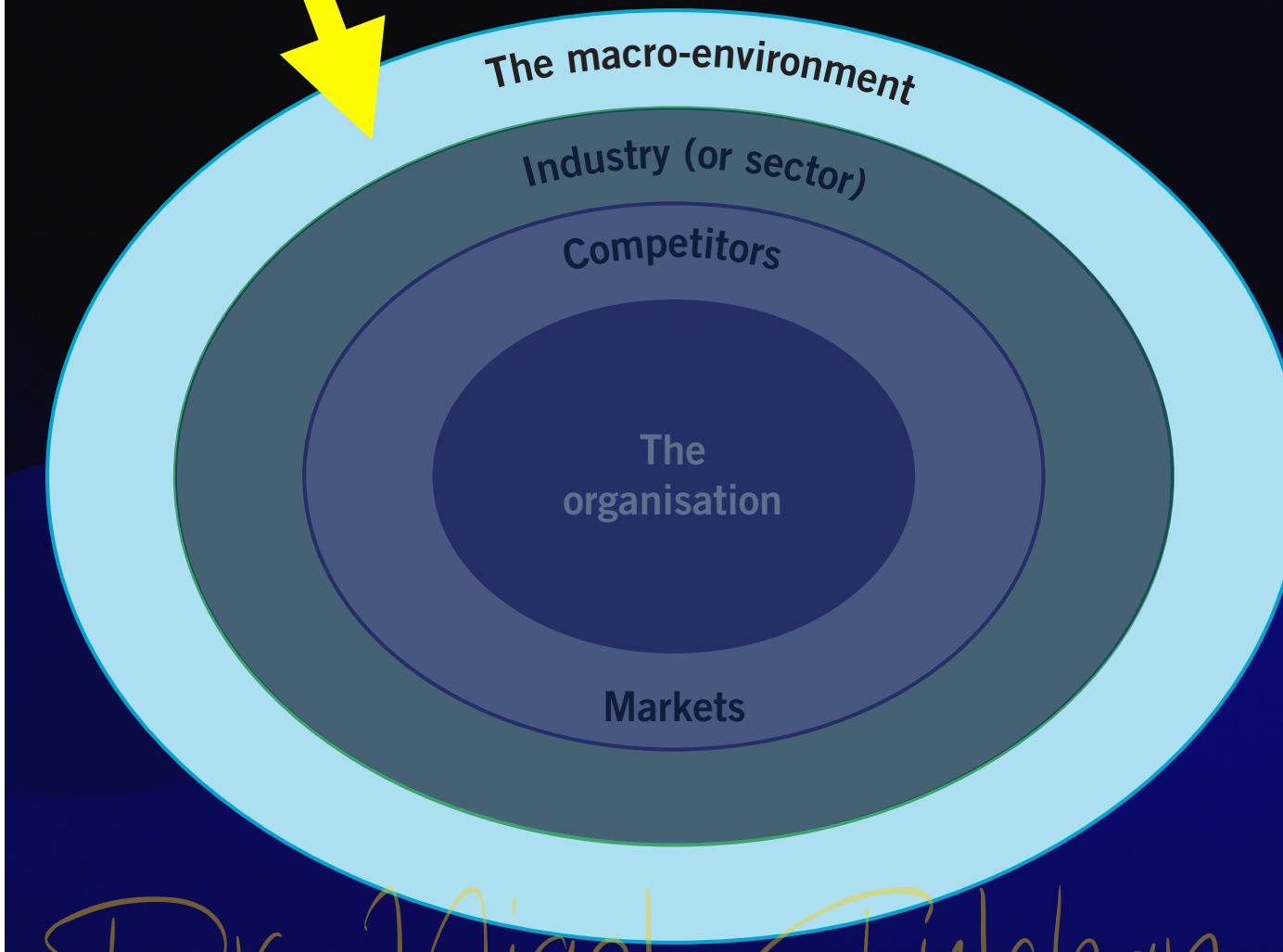


Example: Trade wars between the US & China have increased tariffs, affecting businesses like Apple, which relies on global supply chains. The tariffs have increased production costs for Apple & other tech companies (Xing, 2021).

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PESTLE ANALYSIS



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The role of the state
political factors
Politics

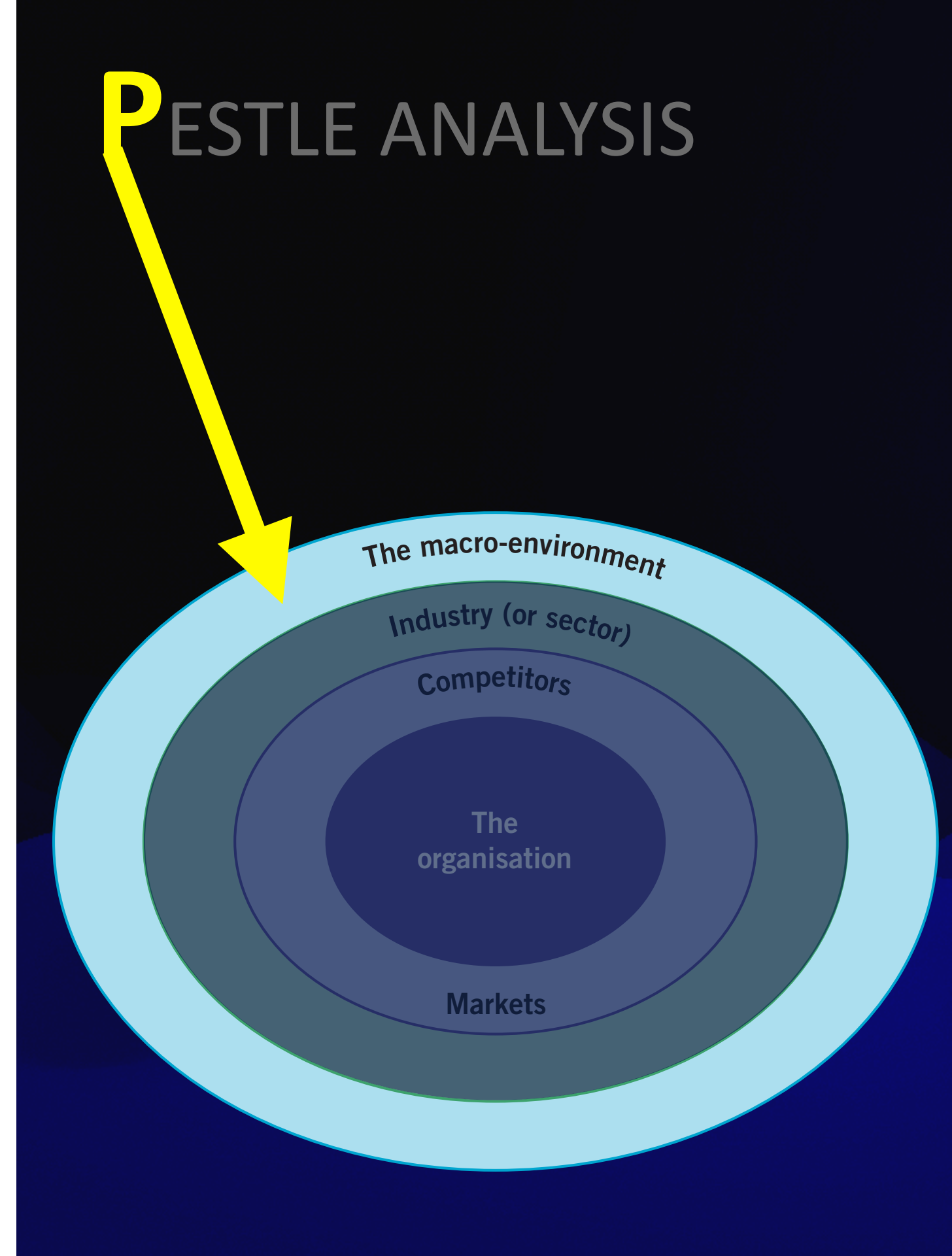
macro micro dimension

Exposure to civil society

internal external dimension

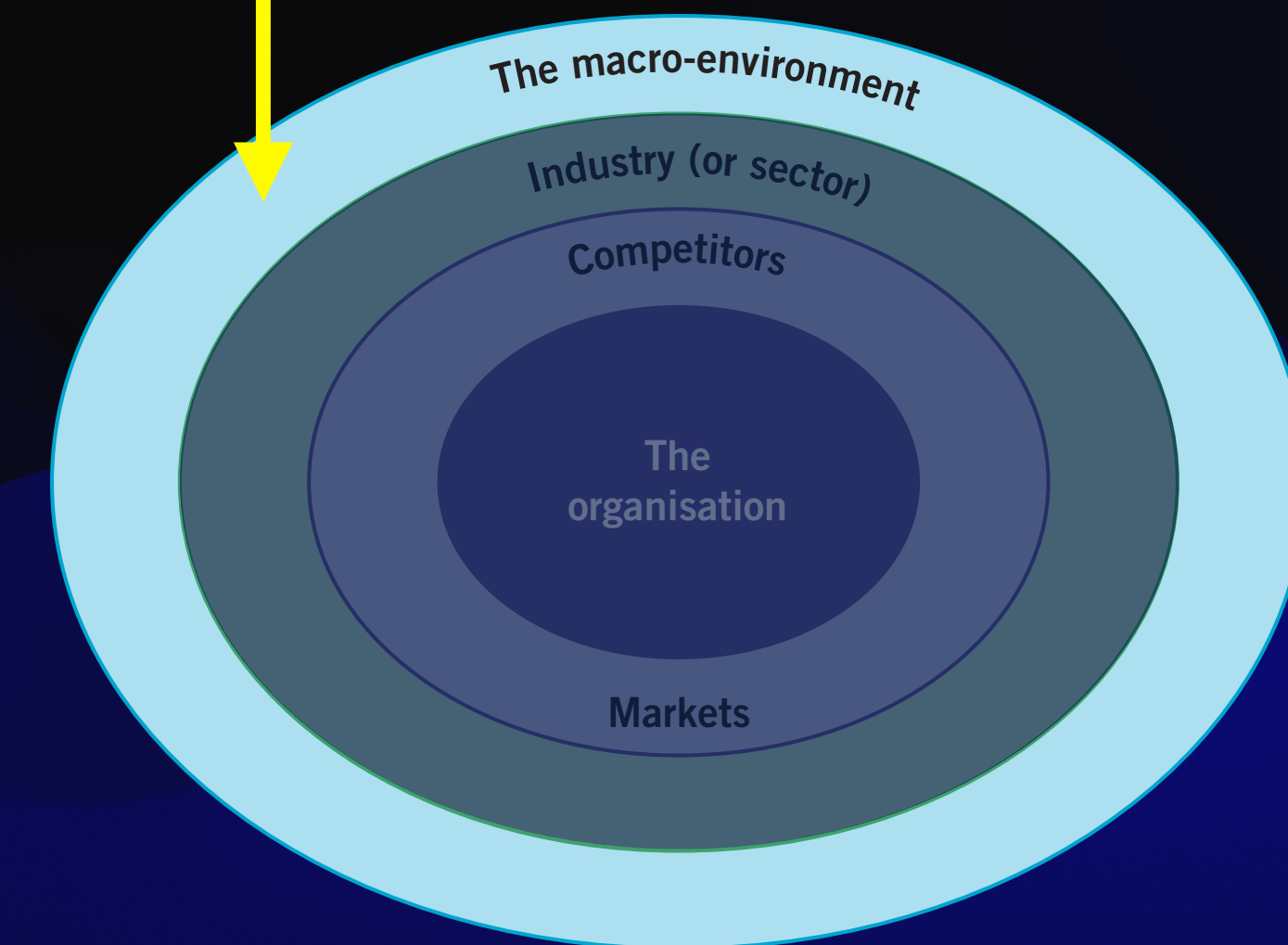


UK University of the year 2023/24



The role of the state
 political factors
 Dr Nigel Fulcher
 Exposure to civil society
 Politics
 macro micro dimension
 internal external dimension

PESTLE ANALYSIS



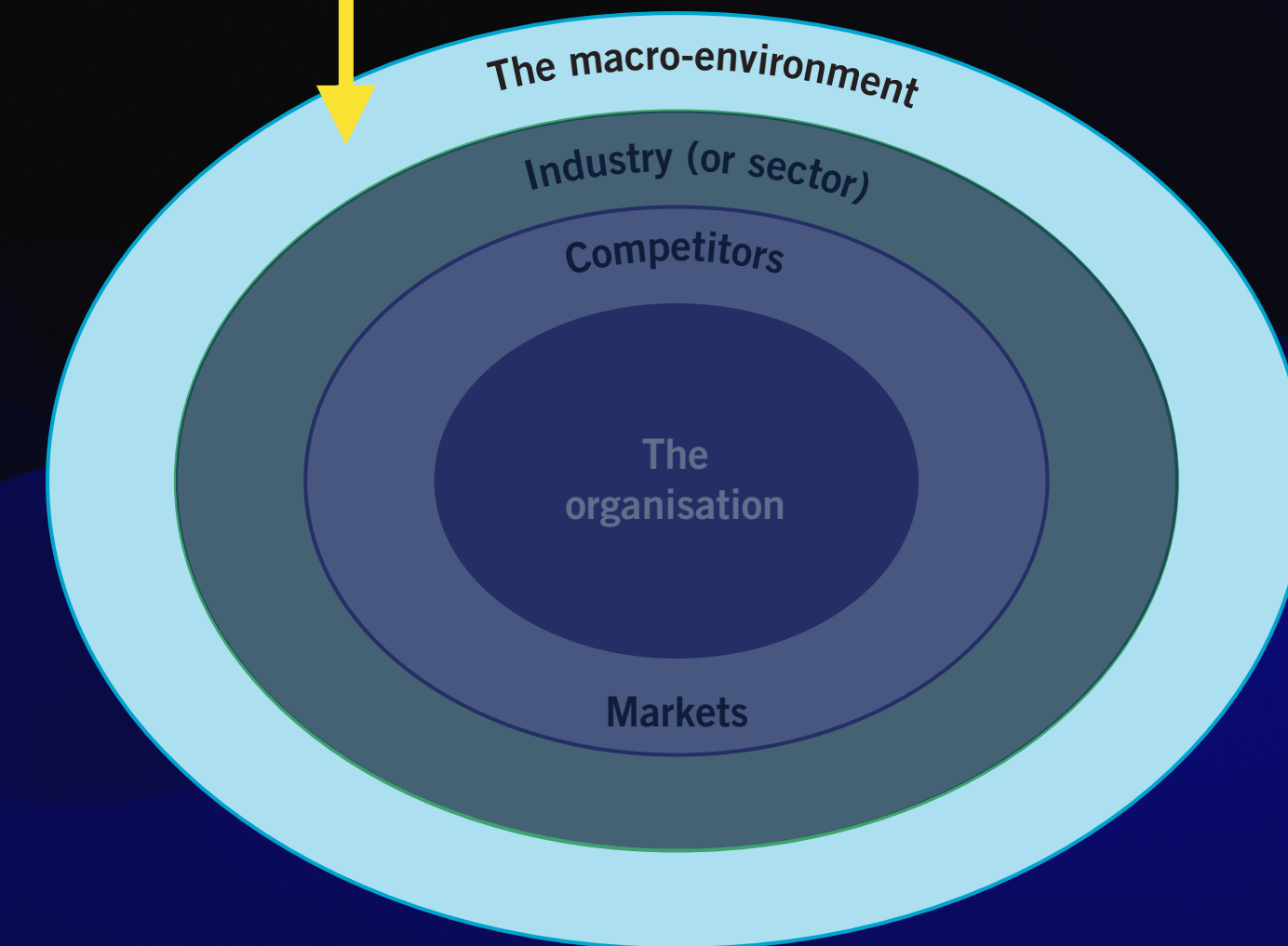
ECONOMIC

Economic factors influence how a business operates in a market. These include inflation rates, exchange rates, economic growth, and consumer purchasing power. The economic environment directly impacts a company's ability to generate profits and grow.

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PESTLE ANALYSIS

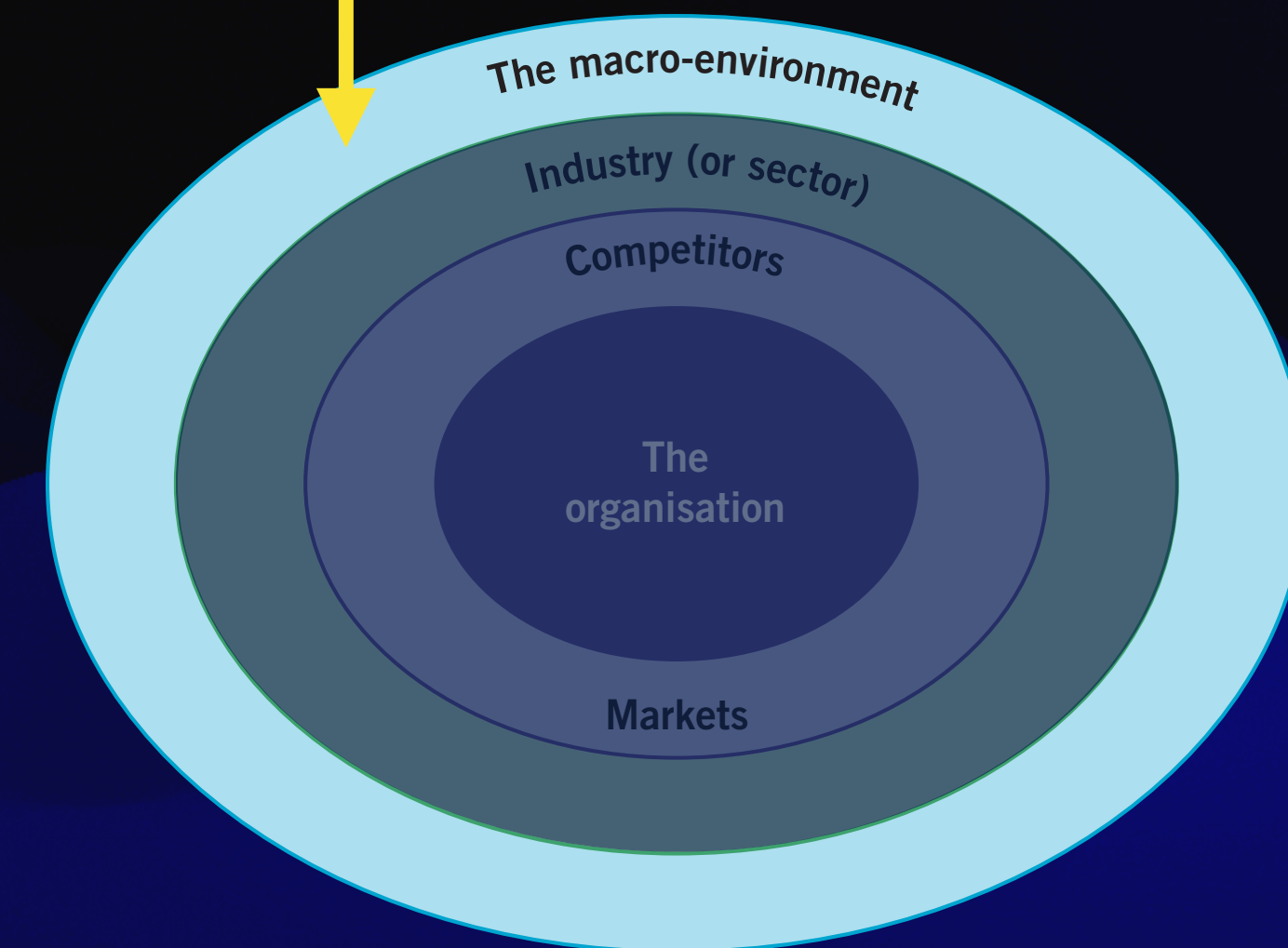


Social

Social factors refer to the cultural and demographic trends that affect consumer behaviours and expectations. These include population growth, lifestyle changes, education levels, and societal values. Businesses need to align their offerings with societal expectations and changes.



PESTLE ANALYSIS



Social

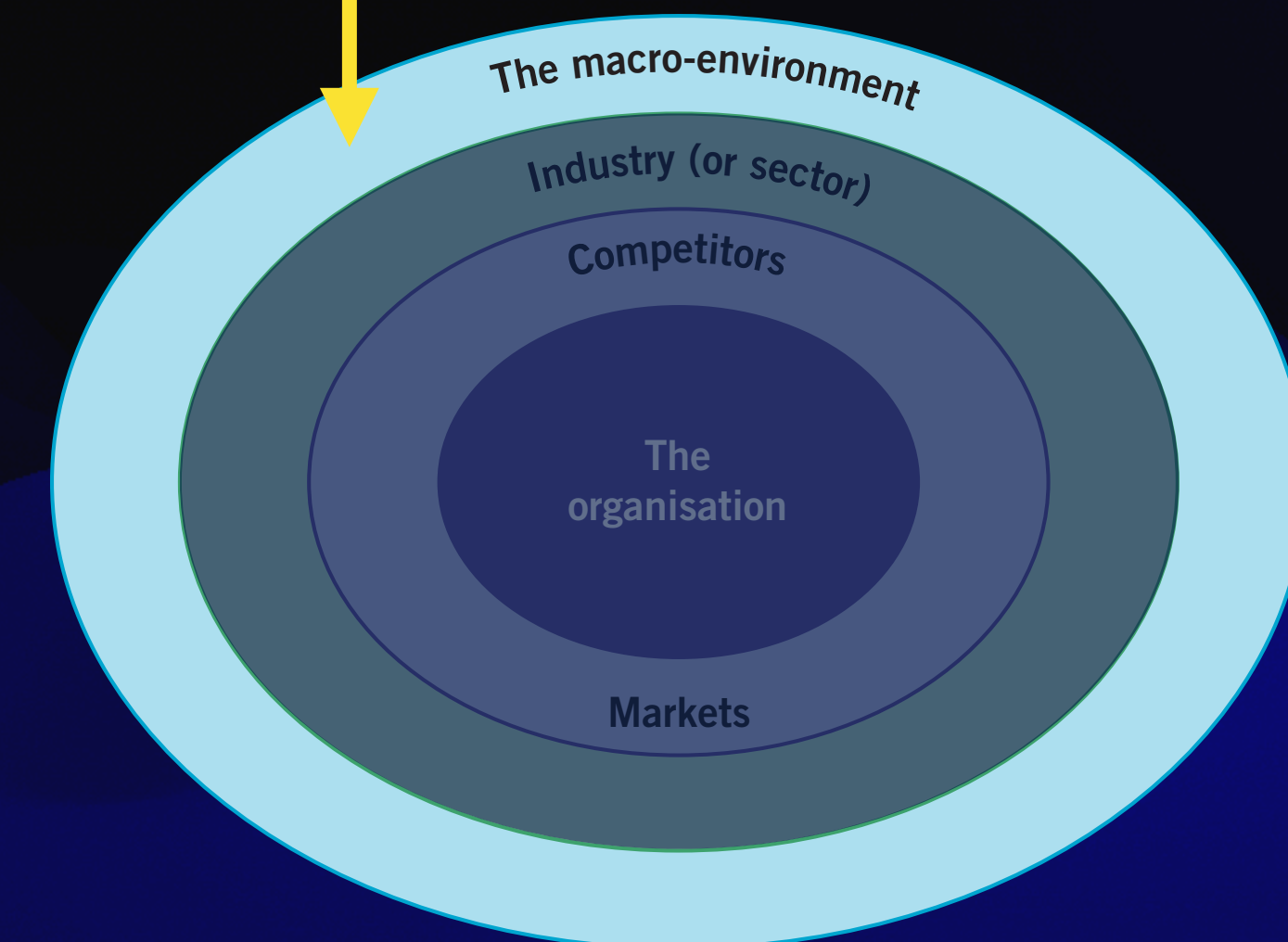
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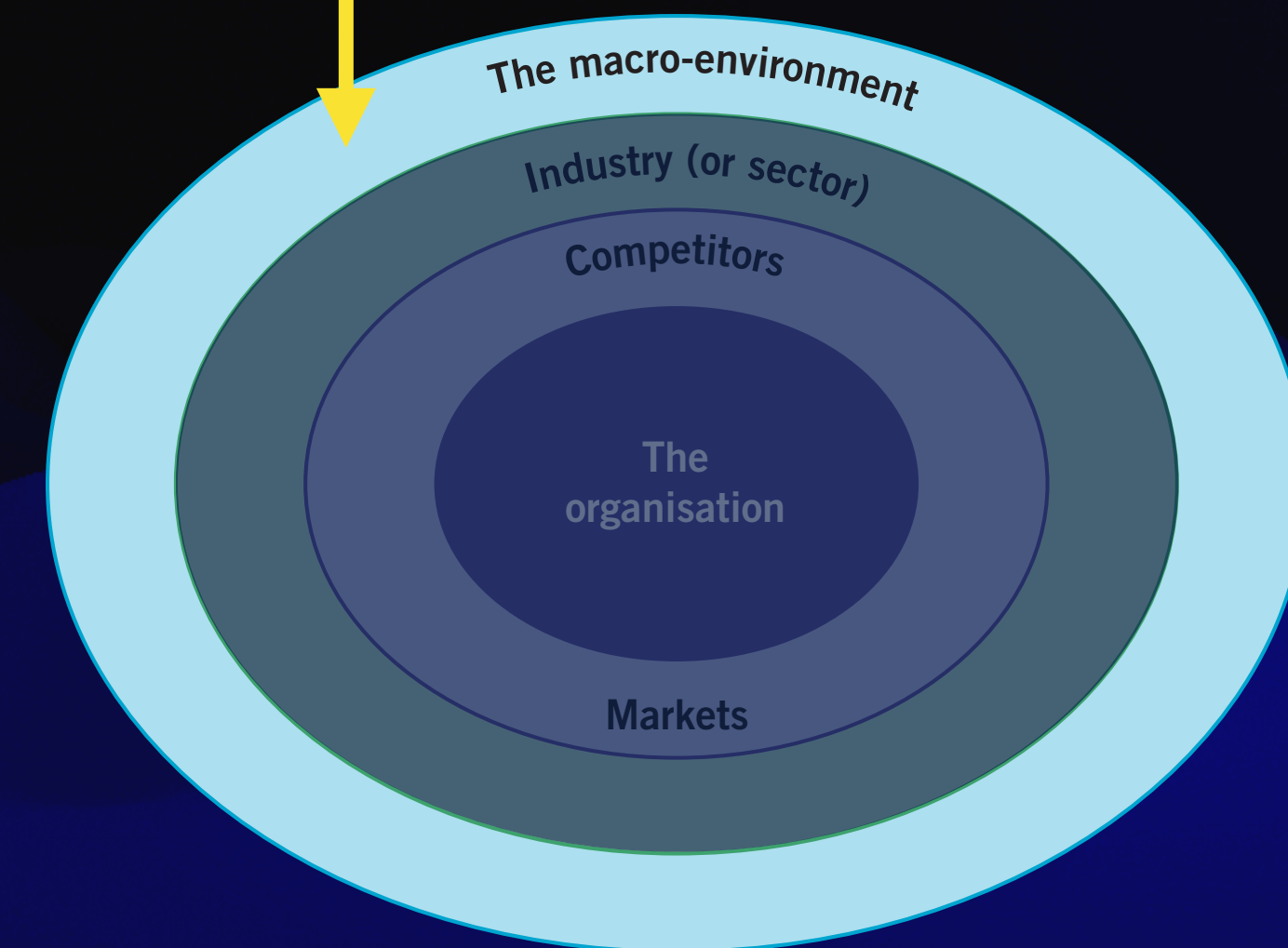


Social

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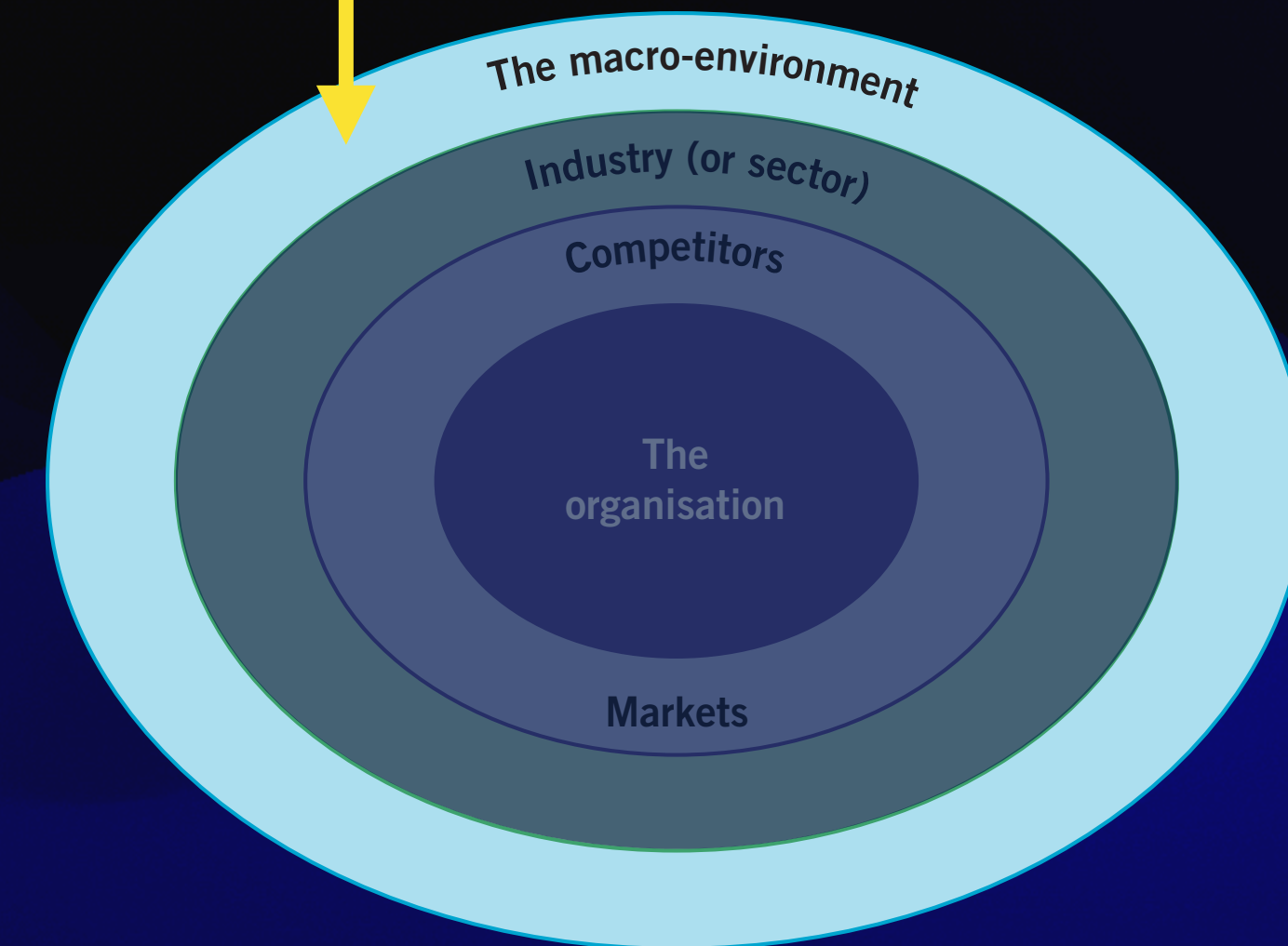


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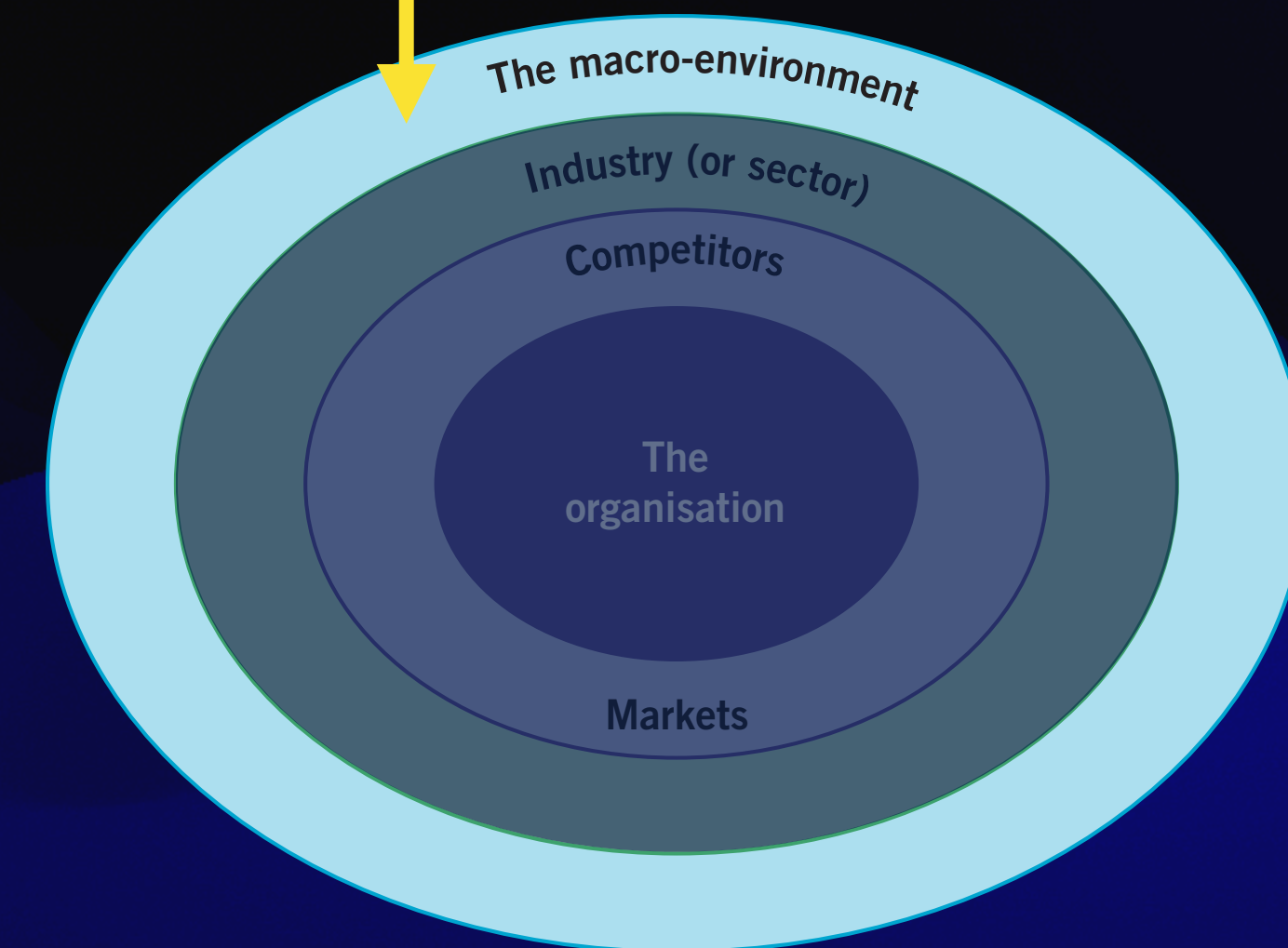
Social

Toyota Motor Corp. has joined the list of organisations in the United States that are refocusing their policies on LGBTQ+ causes and diversity, equity, and inclusion (DEI)

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Technologies such as the Internet, nanotechnology or new composite materials, automation innovation, social networking (listening), robotics, artificial intelligence...As in the case of internet streaming, new technologies can open up opportunities for some organisations (e.g. Spotify and YouTube) while challenging others (traditional music and broadcasting companies).

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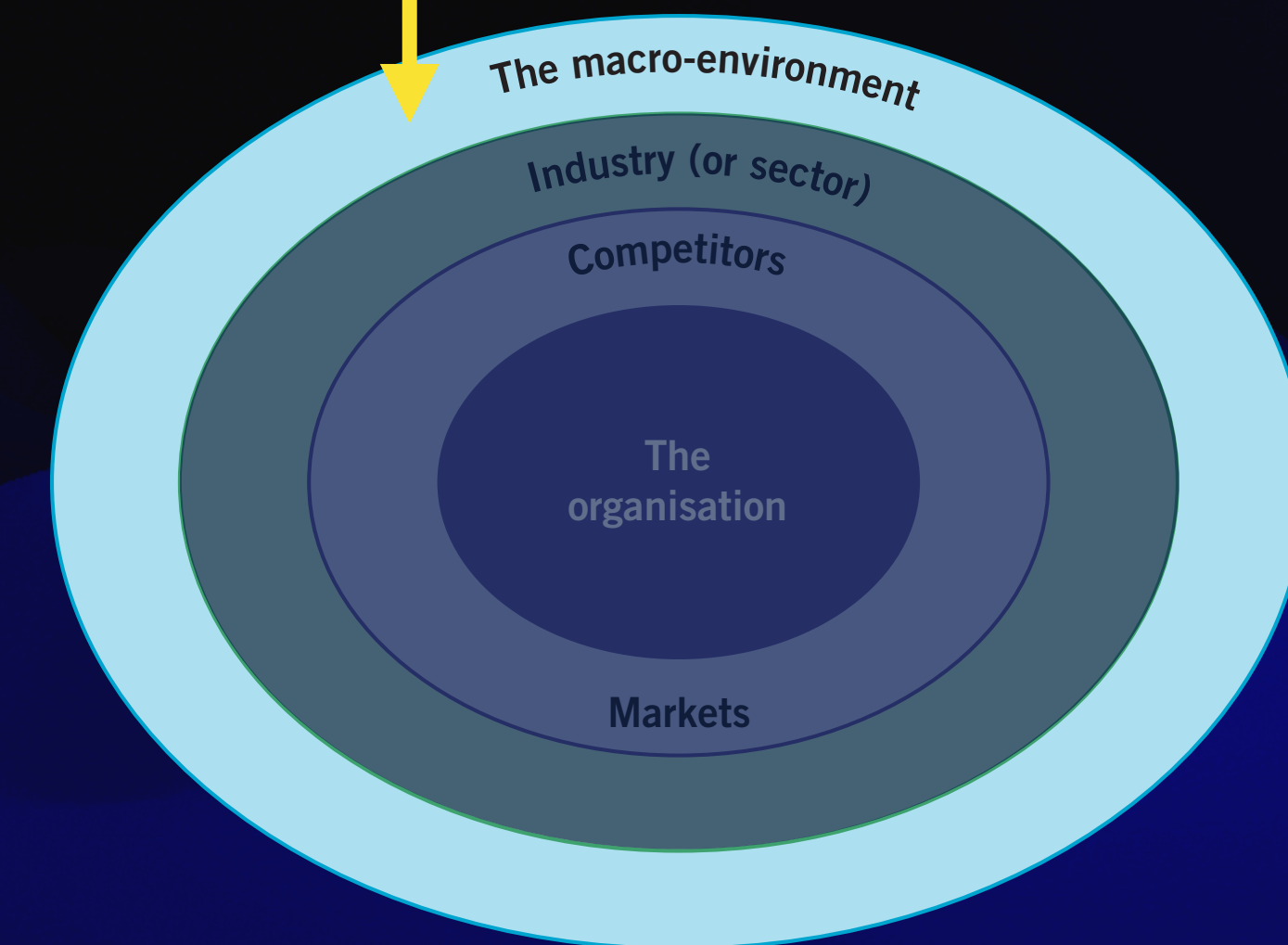


Technology

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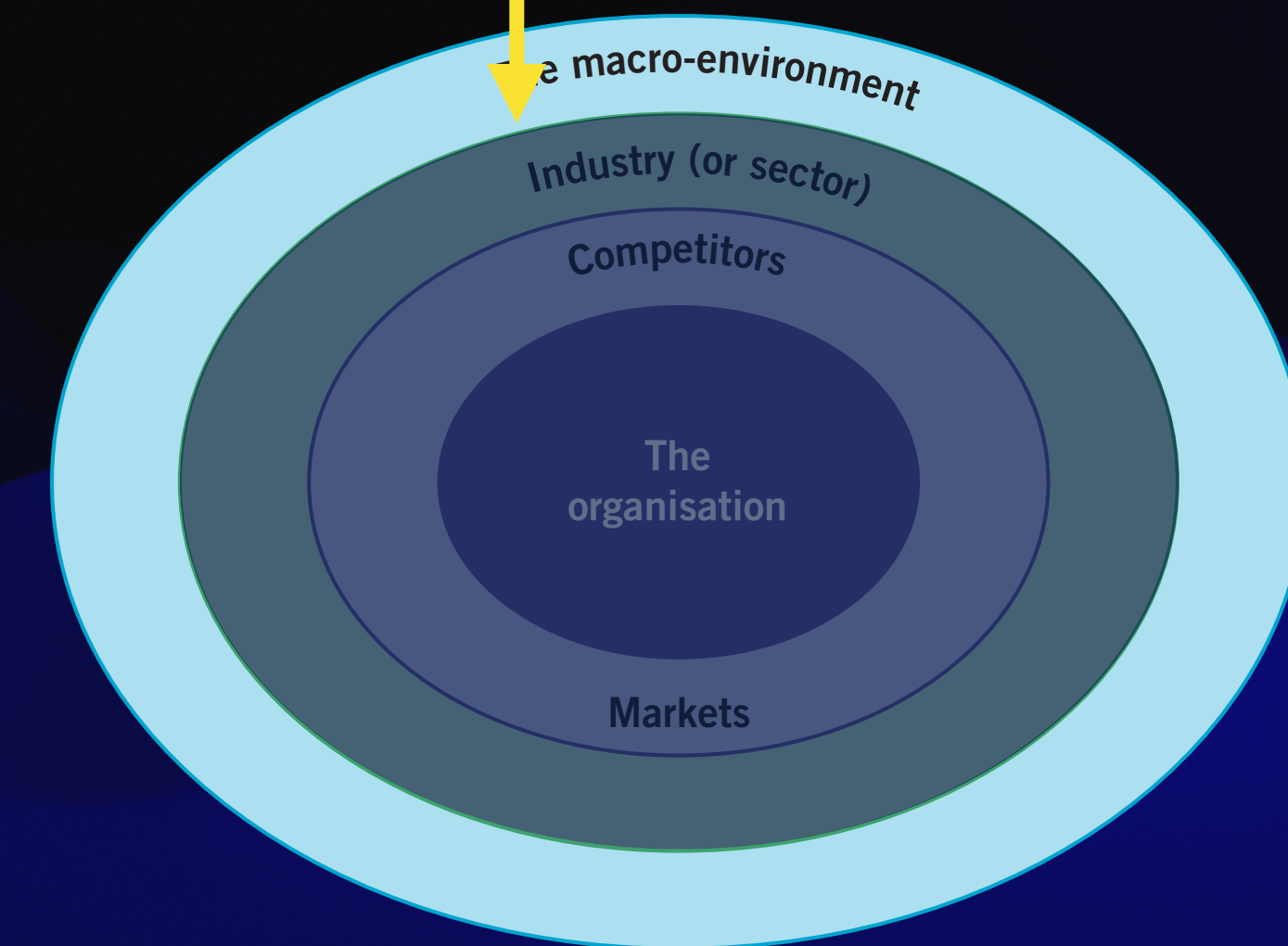
PESTLE ANALYSIS



Ecological

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PESTLE ANALYSIS



Ecological

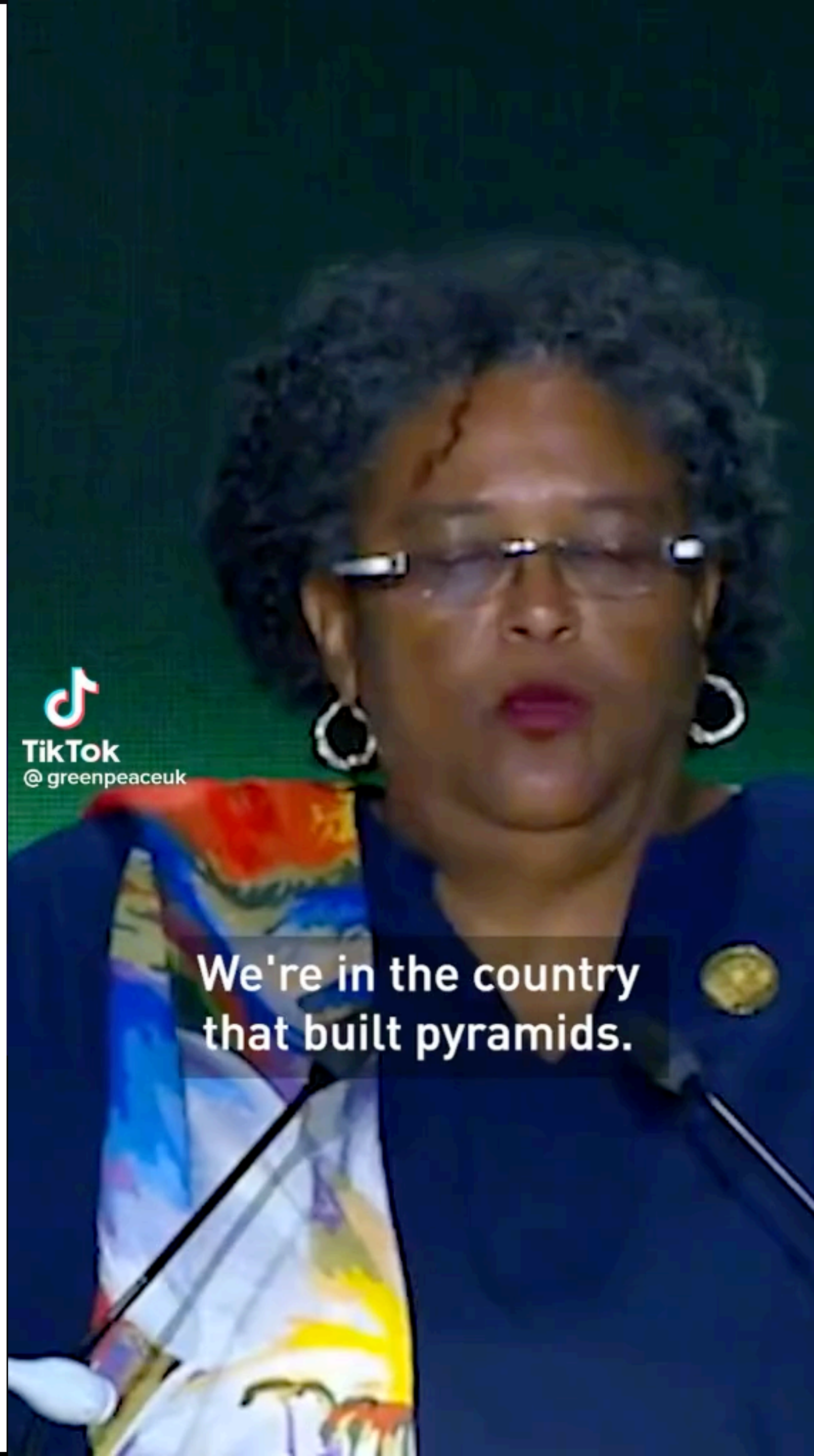
Ecological stands specifically for 'green' macro-environmental issues, such as pollution, waste and climate change. Environmental regulations can impose additional costs, for example, pollution controls, but they can also be a source of opportunity, for example, the new businesses that emerged around mobile phone recycling.

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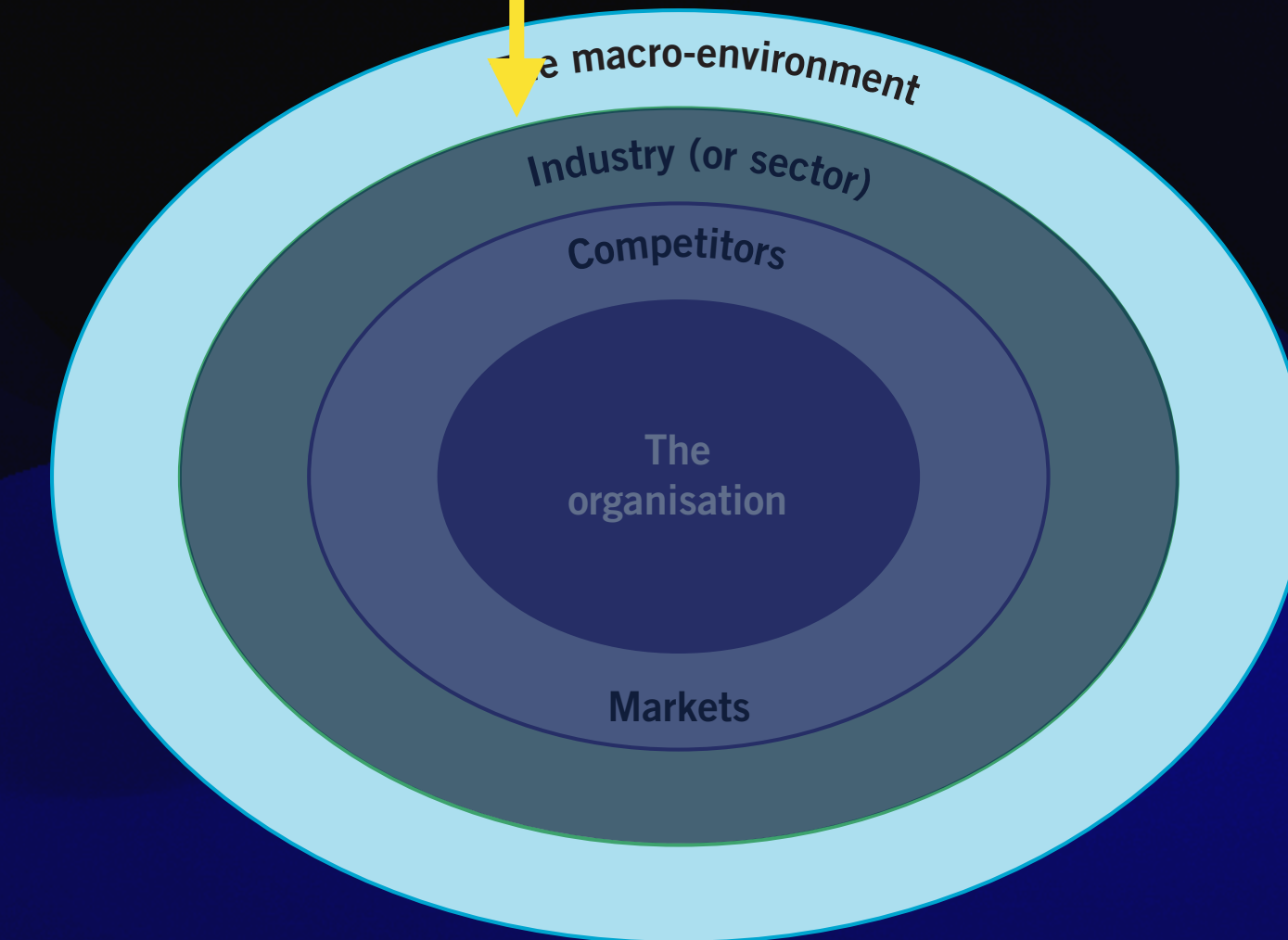
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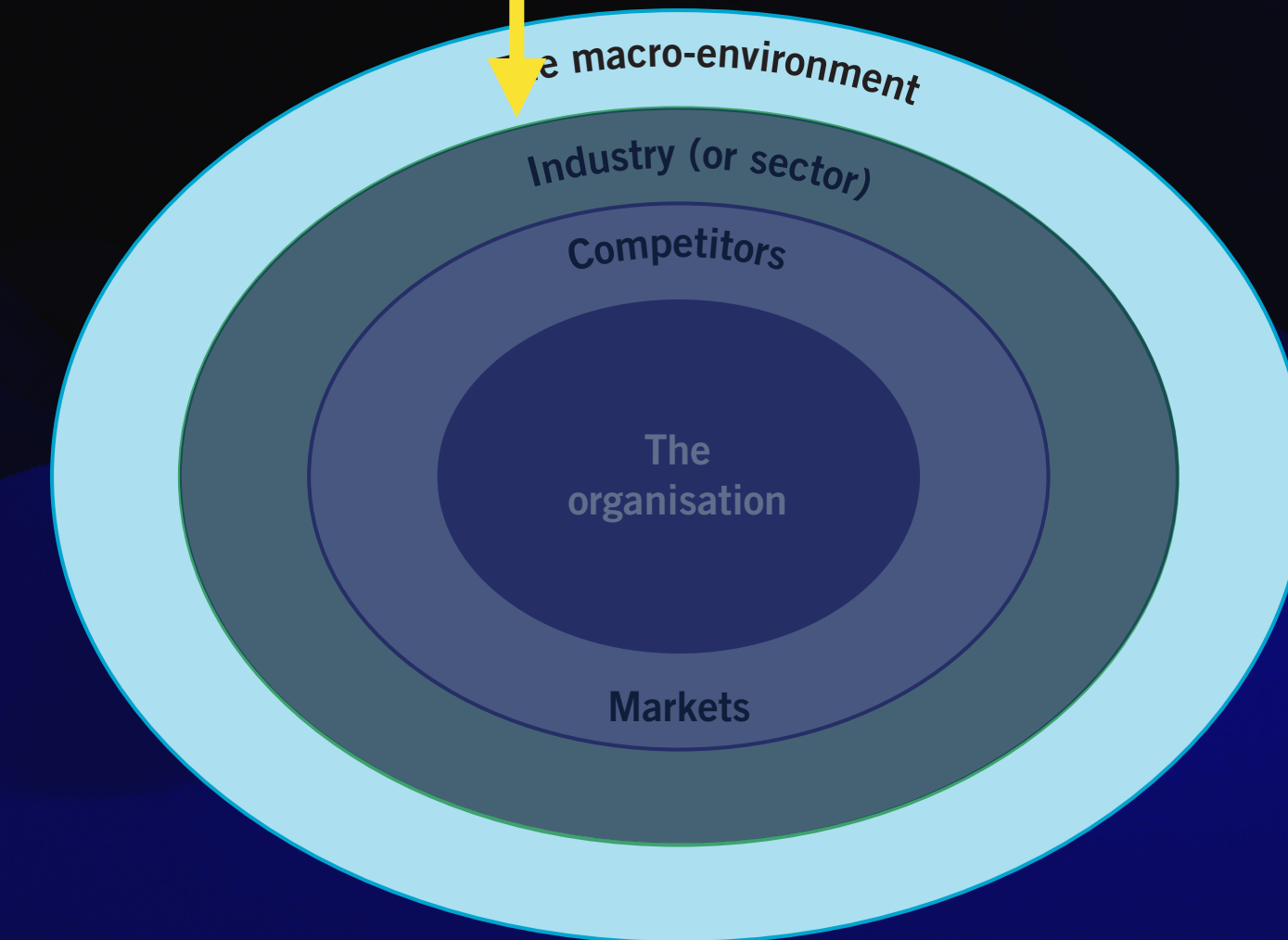
PESTLE ANALYSIS



Ecological



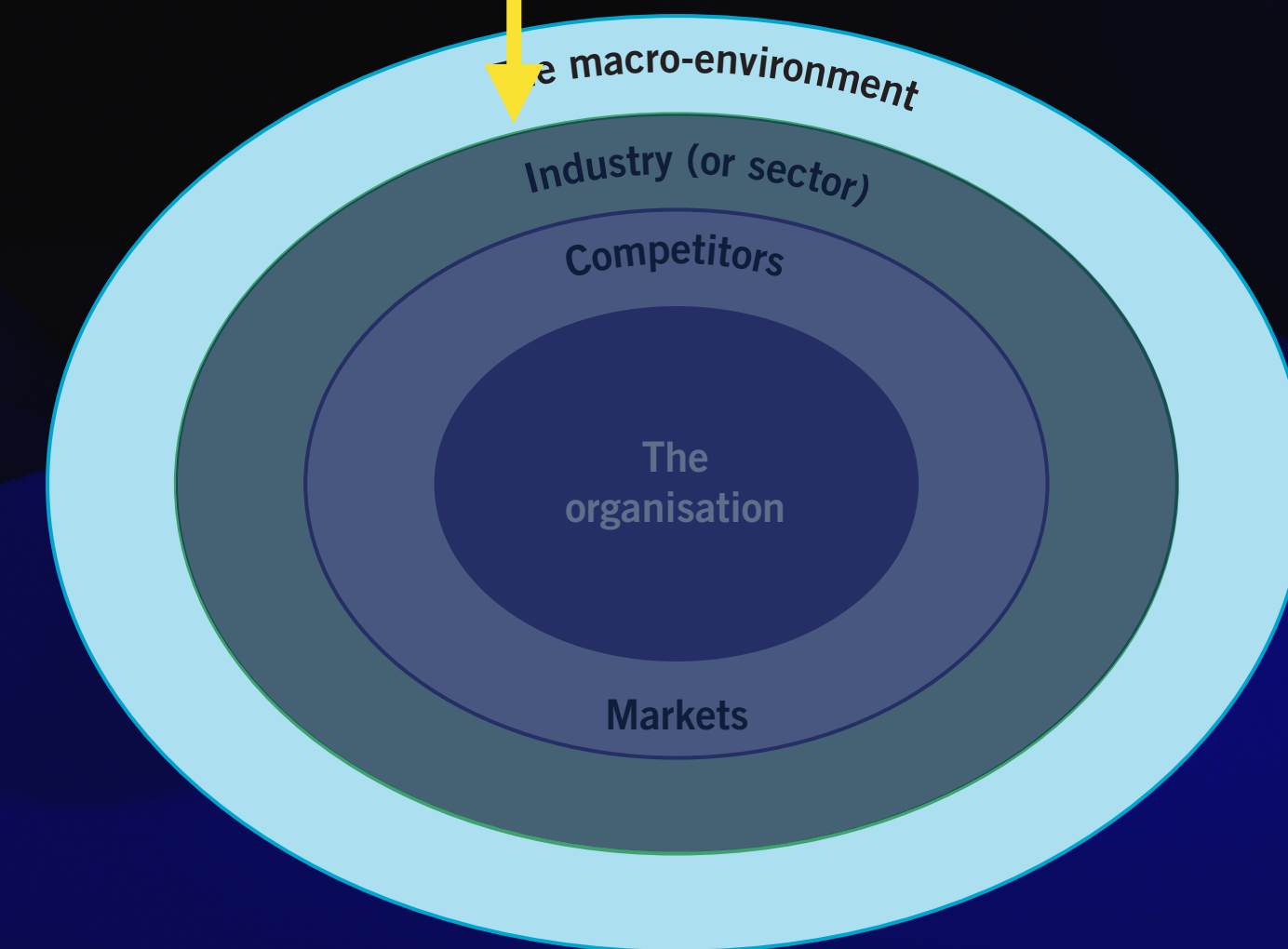
PESTLE ANALYSIS



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PESTLE ANALYSIS



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PESTLE – Ecological – Organisational purpose

- The world is facing numerous urgent challenges, and the awareness of these issues has reached unprecedented levels. Business is now seen as part of the problem in these challenges. The legitimacy of business today is at its lowest, enriching a few without benefiting many.
- **Milton Friedman - 'A company's social responsibility is to maximise profits.' The goal is shareholder benefit, not social benefit. If the company spent money on 'social things', that was the misuse of corporate resources.**
- Philanthropy was a big move. How many CSRs move the needle - the bottom line?
- **The problem** is that social responsibility is often viewed as distinct from business.
- **Solution:** Reimagine how we do business to impact society while creating economic value positively.

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PESTLE – Ecological – Organizational purpose

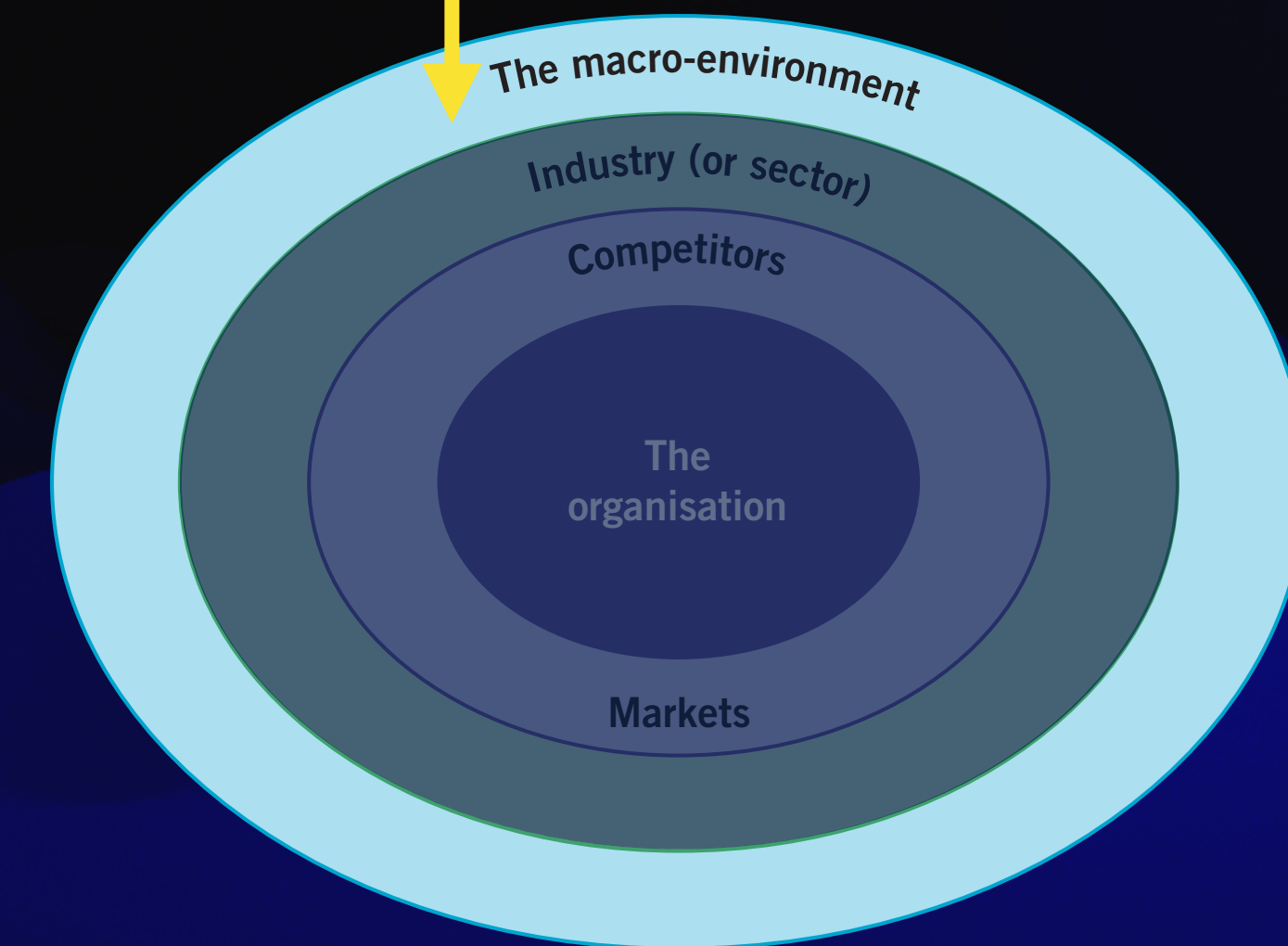
Corporate Social Responsibility (CSR) vs Creating Shared Value (CSV)

- CSR - how we behave in business, comply with ethical standards, be good citizens, behave sustainably - codes of conduct, many certifications to prove they care...CSR reduces the risk or harm it creates, rather than doing good, building trust, and earning a license to operate, as well as separate budgets. These critical ideas underpin CSR. The law in India stipulates that 2% of the profit is allocated to Corporate Social Responsibility (CSR).
- CSV mobilises the corporation's entire budget to impact social issues.
- CSV is not just about doing good; it's about integrating social impact into the core strategy. This strategic approach keeps the audience engaged and focused on the bigger picture.
- Reengineer products and services to benefit society
- This will restore the corporation's legitimacy.

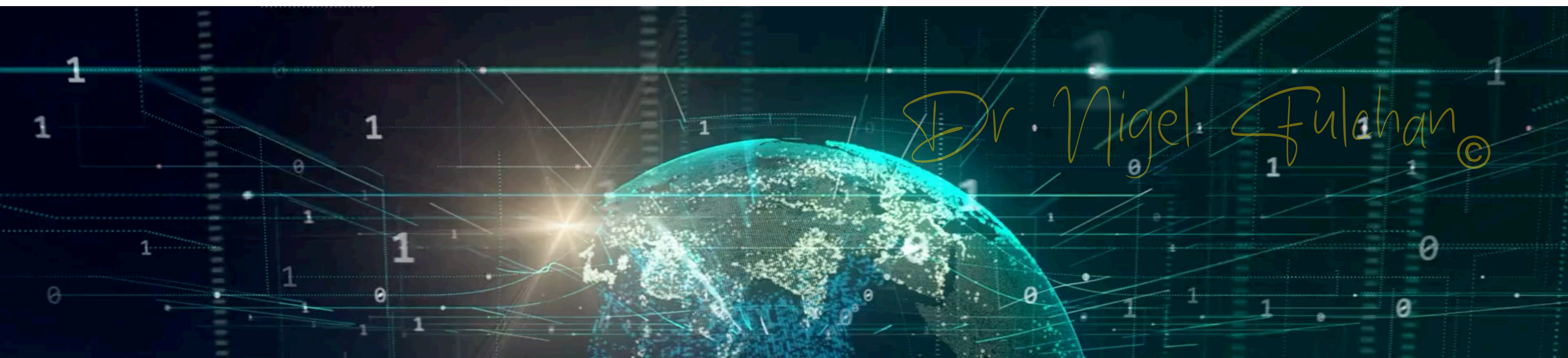
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The final element in a PESTEL analysis of the macro-environment refers to **legal** aspects. These can cover a wide range of topics, such as labour, environmental, and consumer regulation, taxation and reporting requirements, and rules on ownership, competition, and corporate governance. In recent years, the relaxation of legal constraints through deregulation has created many new business opportunities, such as low-cost airlines and 'free schools' in various countries. However, regulations can also handicap organisations.

PESTLE ANALYSIS



Legal

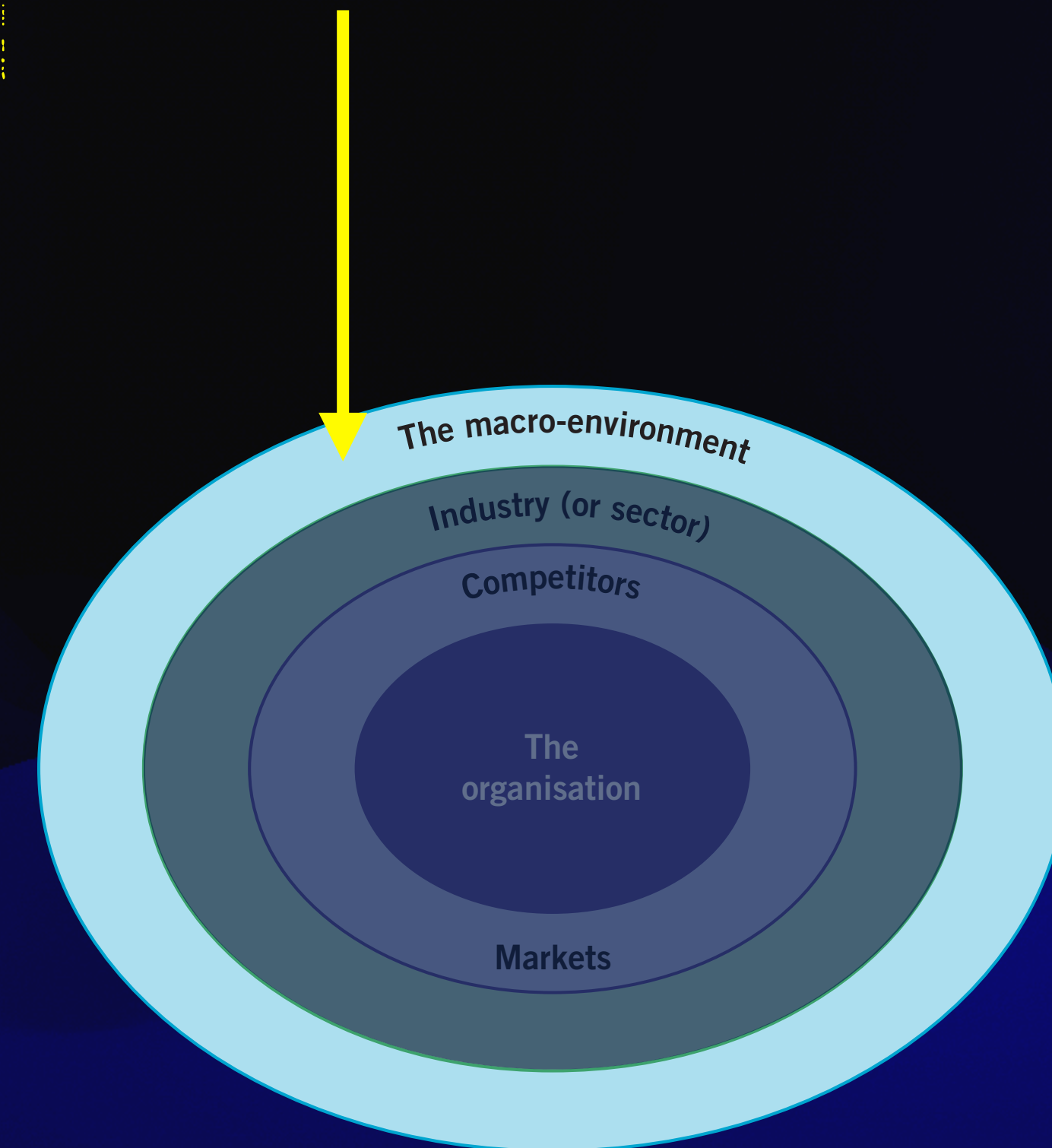


PESTLE - KEY drivers to cHange

External factors to consider	Factors affected within my industry	Opportunity	Threat
Political	Government Stability (4)		
Economic			
Social			
Technological			
Ecological			
Legal			

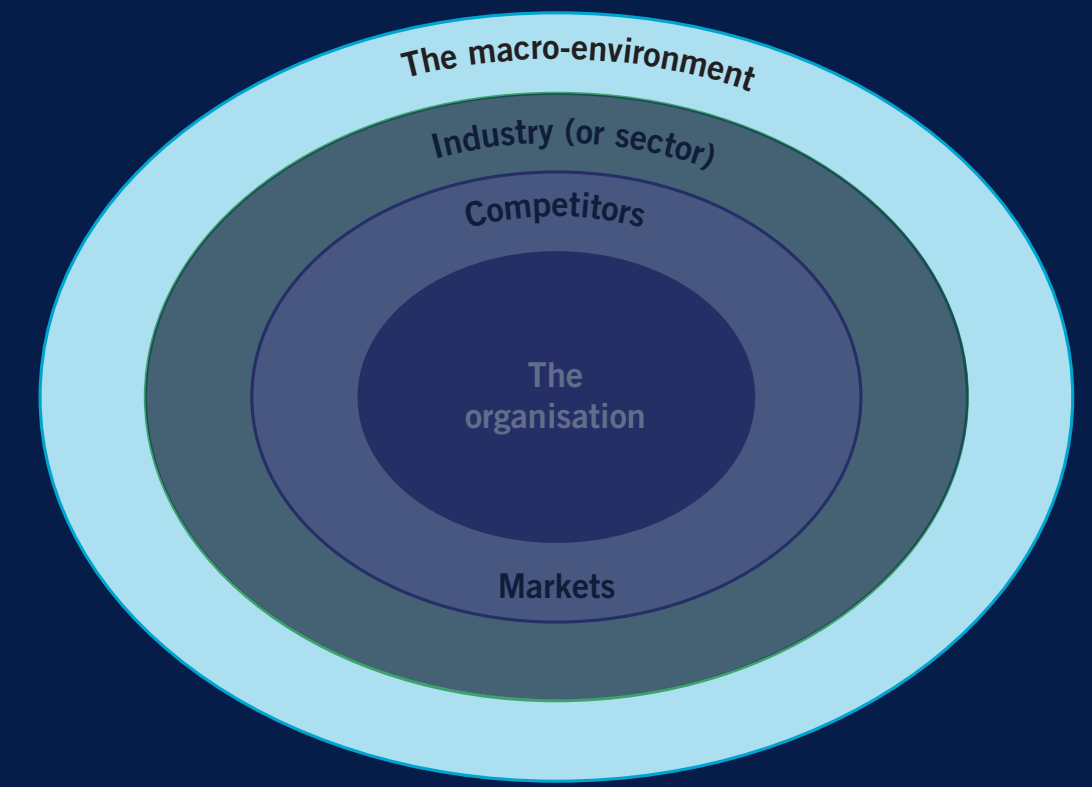
Key drivers for change are the environmental factors likely to have a high impact on industries and sectors, and the success or failure of strategies within them.

PESTLE ANALYSIS



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PESTLE - Scenario analysis



Scenarios offer plausible alternative views of how the macro-environment might develop in the future, typically in the long term.

Step 1: Identify Driving Forces - PESTLE

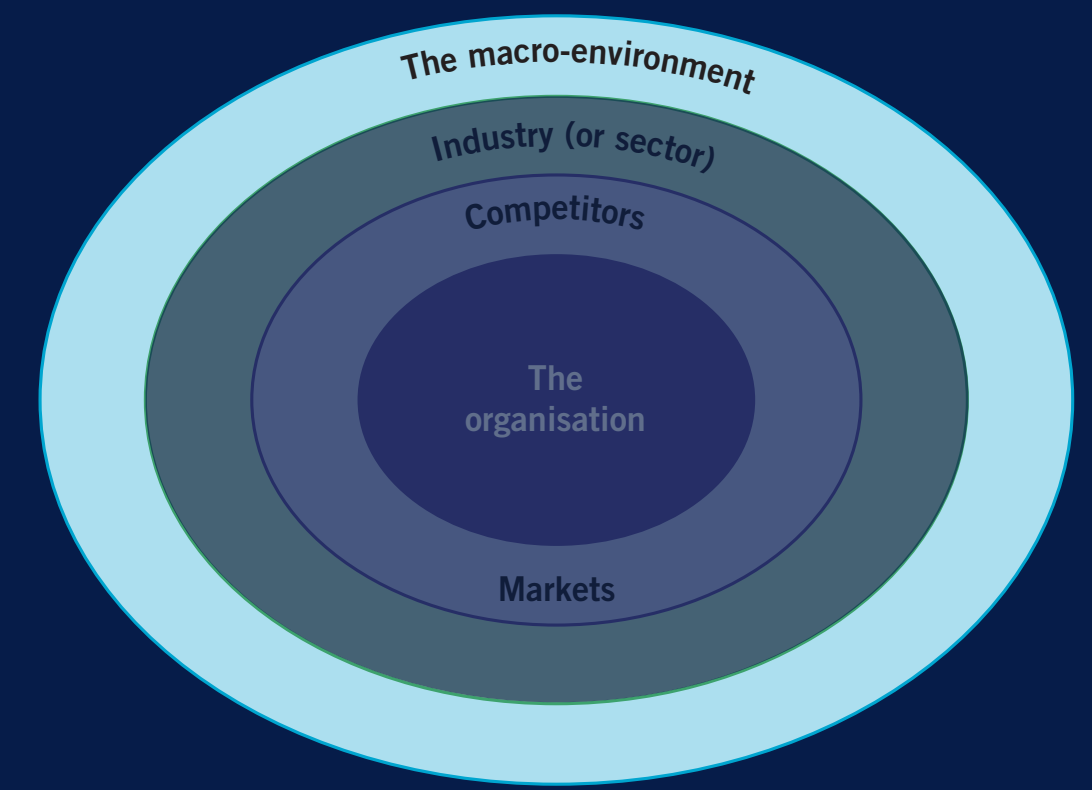
Step 2: Identify Your Critical Uncertainties

Step 3: Develop Plausible Scenarios

Step 4: Discuss Implications of Paths - Consider potential actions you could take if each situation were to occur, and how this may guide your decision making and strategy

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PESTLE - Scenario analysis - example



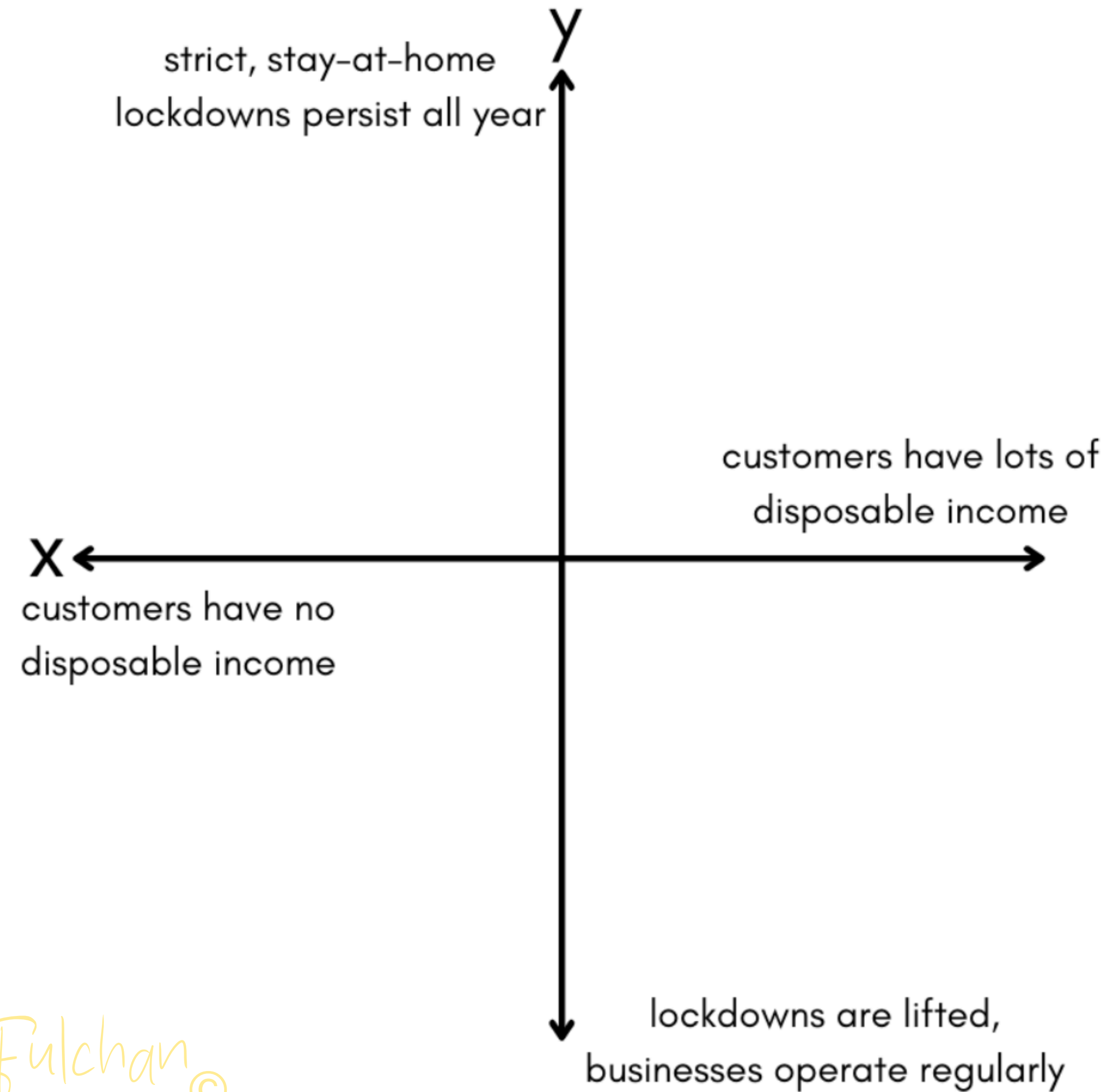
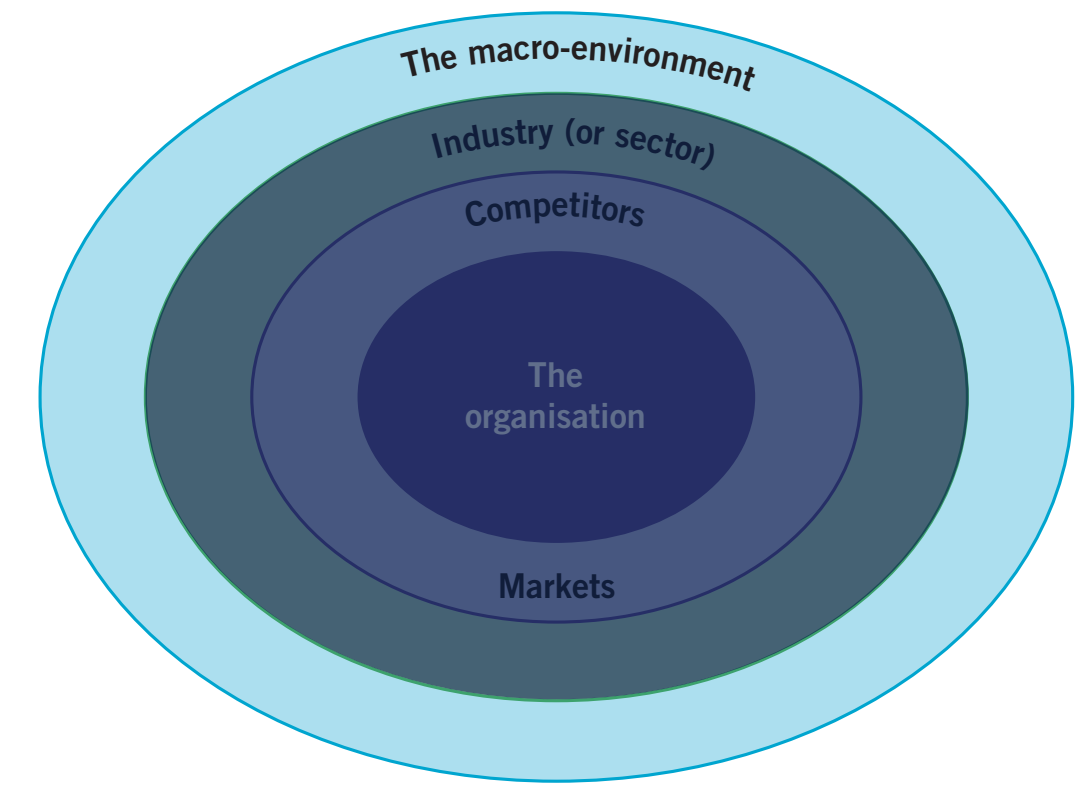
If the year 2020 has taught us anything, it has taught us that the future is uncertain. In business and life, things can take a turn whether you're ready or not. And that's what happened. Lockdowns, travel bans and closures have forced people worldwide to rethink their businesses, make sharp pivots, or flounder in the face of uncertainty.

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For this example, we'll look at a time frame of just one year.

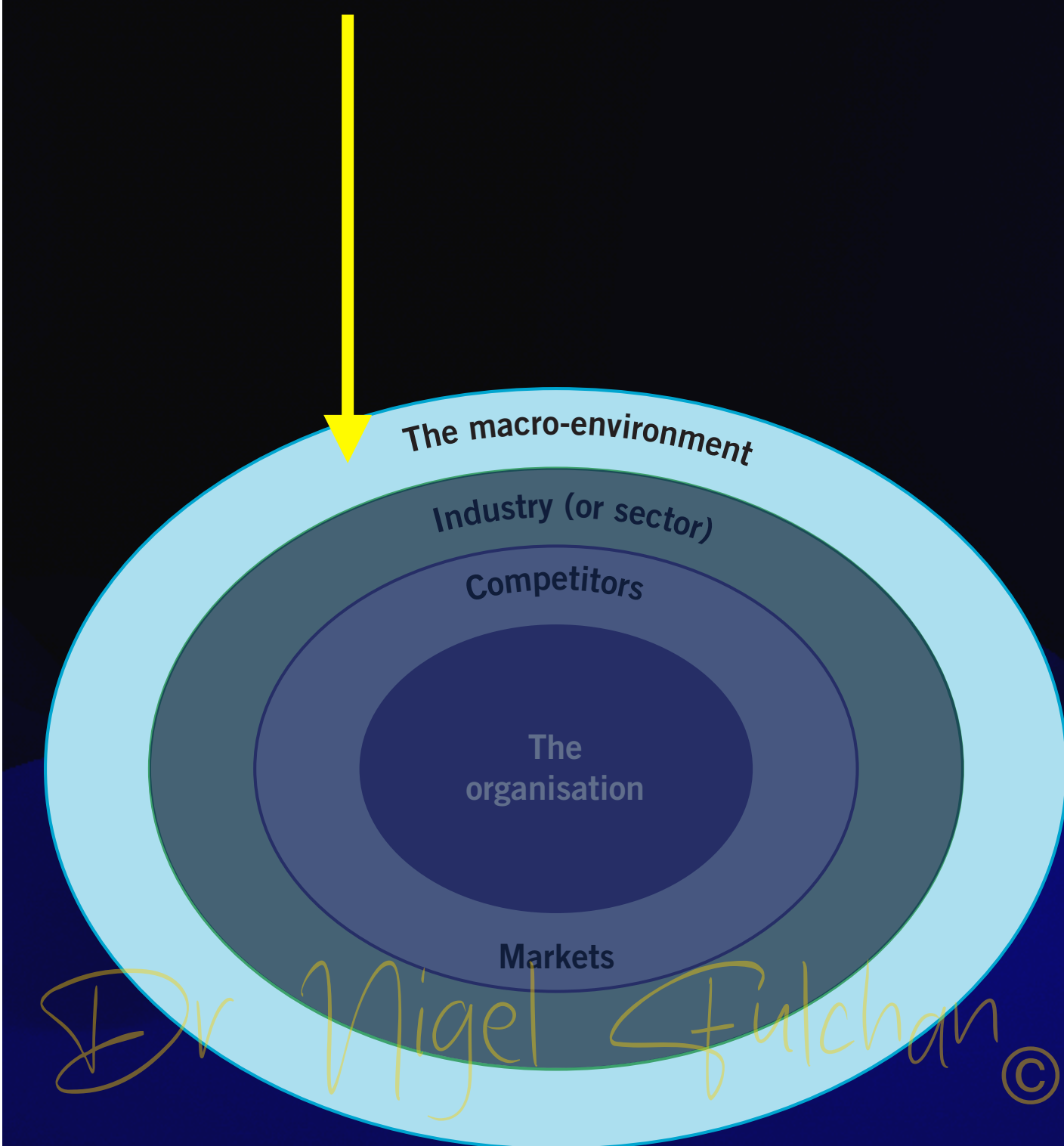
The critical uncertainties that we'll choose are **stay-at-home lockdowns and the disposable income of our customers.**

PESTLE - Scenario analysis - example



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PESTLE ANALYSIS



PESTEL factors examine macro-environmental factors according to six key types: **political, economic, social, technological, ecological and legal.**



Sources of Environmental Information

- Market research reports (such as Mintel, Euromonitor (Passport) etc.)
- Newspapers and magazines
- Trade magazines and newsletters
- Government reports and statistics (e.g. EU reports at www.europa.eu)
- Companies own records
- Trade organisations
- International bodies and committees
- Trade unions (such as TUC – Britain's Trade union congress)
- Company websites
- Customer and consumer online communities and discussion forums
- News organisation websites
- Consultancy firms (such as PWC, McKinsey & Co, KPMG)

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Key Sources of Information

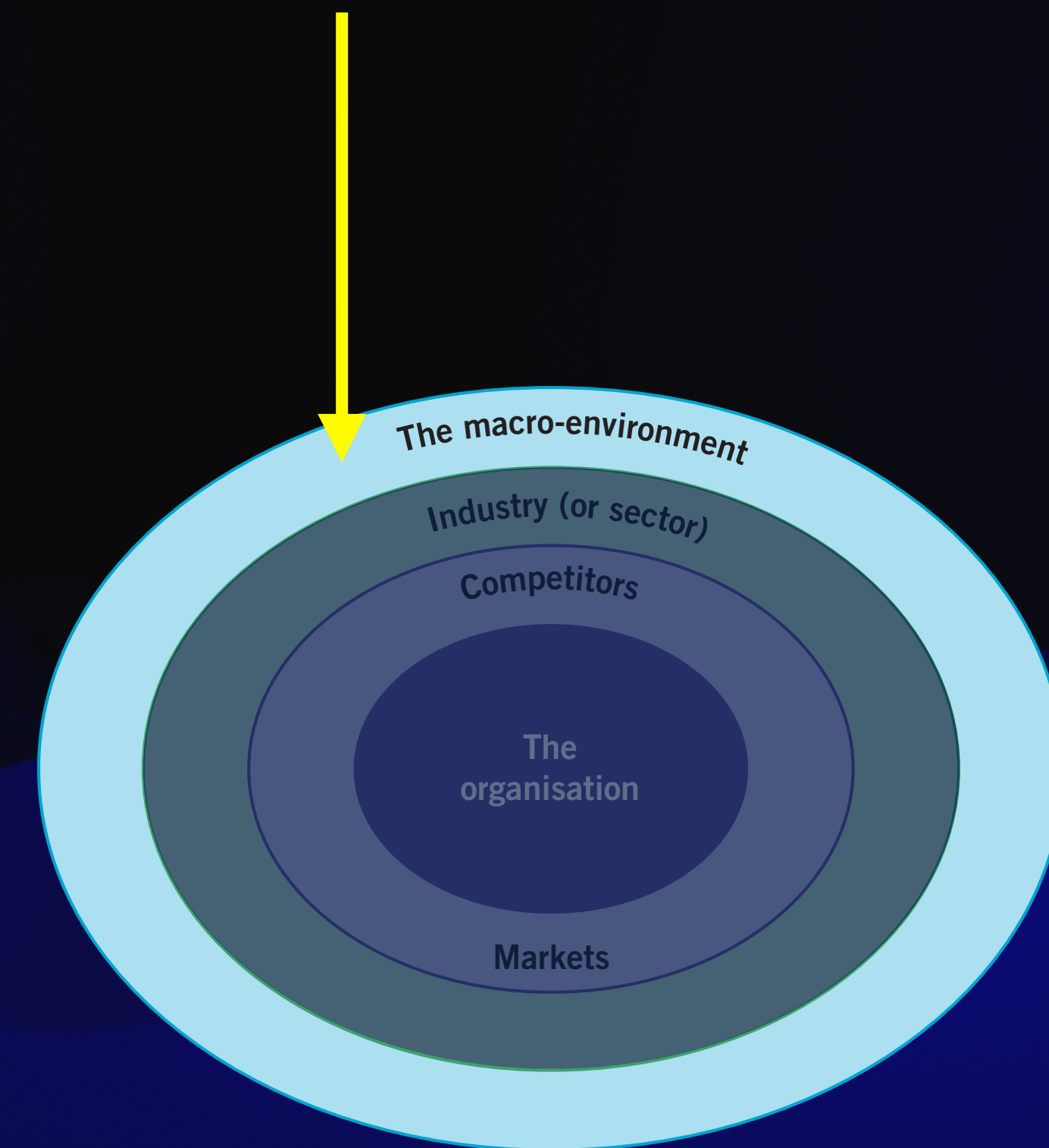
- [EBSCOhost Business Source Premier](#)
 - [IBISWorld](#)
 - [FT.com](#)
 - [Statista](#)
-
- Log In Via Institution
 - Use your ARU Credentials

General Tips

- Please use **Harvard Referencing System** to cite sources and produce your Reference List
- <http://libweb.anglia.ac.uk/referencing/harvard.htm>
- <https://www.citethemrightonline.com/>
- It is also important that you **apply the models**
- Remember you are **making recommendations, so speak to the company**

Marketing Command Center

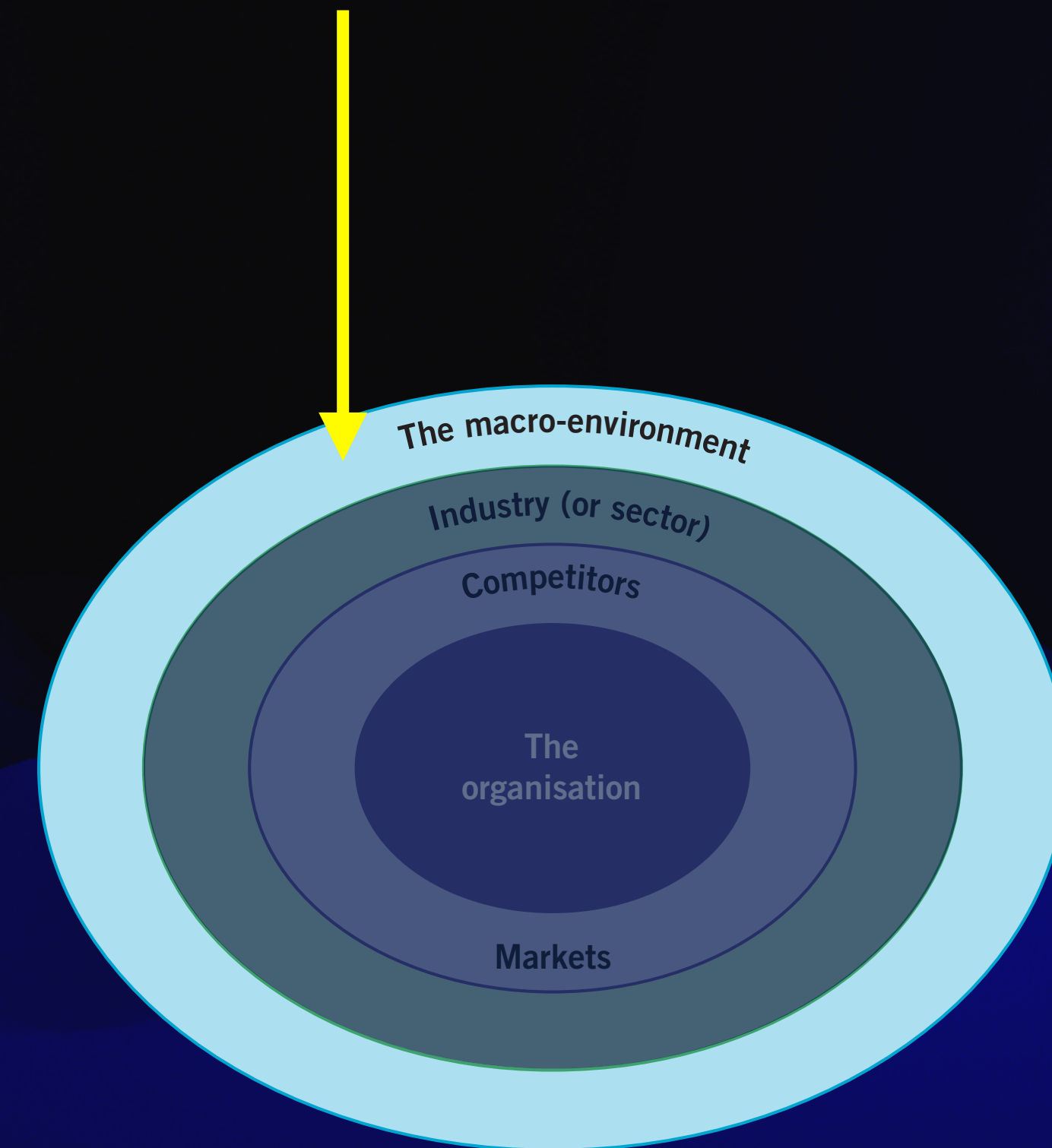
PESTLE ANALYSIS



Sources of Environmental Information

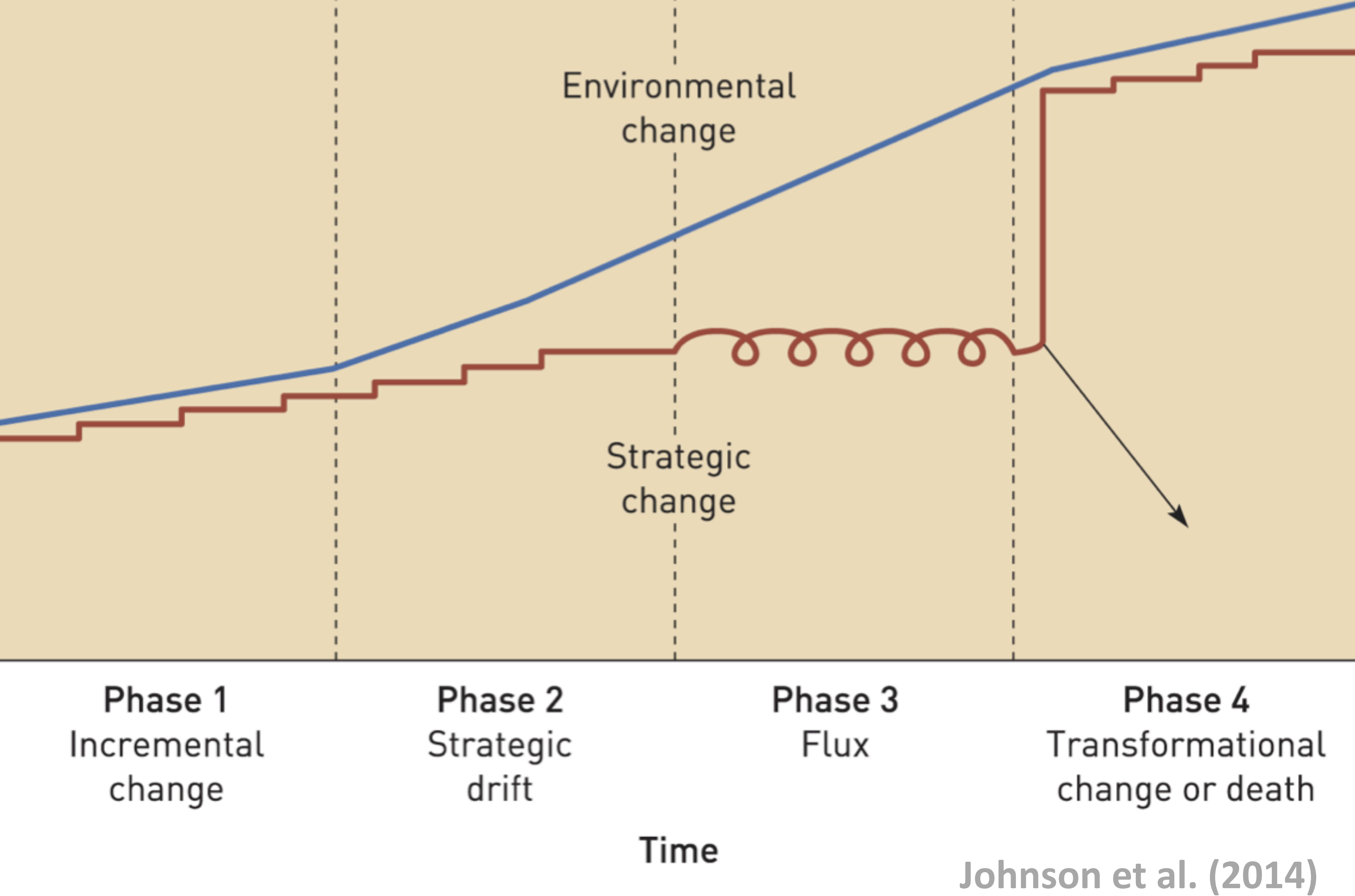
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PESTLE ANALYSIS

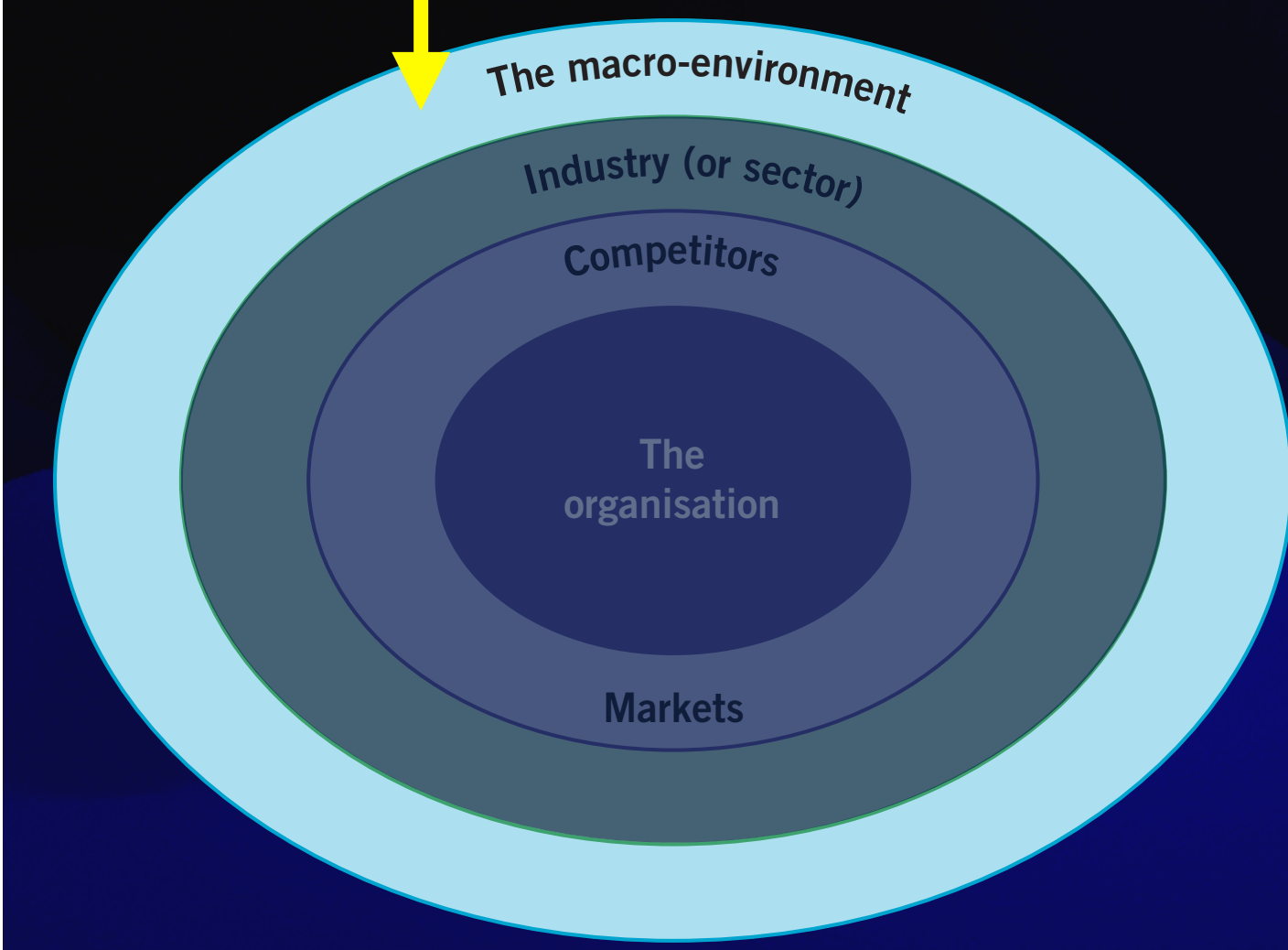


Sources of Environmental Information

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PESTLE ANALYSIS



Strategic fit or drift?

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PESTLE Analysis Worksheet

Political Factors

- Government stability and policy direction
- Taxation policy and rates (corporate tax, VAT, import/export duties)
- Trade tariffs and regulations
- Foreign policy and diplomatic relations
- Labour laws and employment standards
- Corruption and bureaucracy levels
- Political support or opposition to industry
- Government funding/subsidies for specific sectors
- Public sector involvement or privatisation trends
- Military conflicts or geopolitical risks

Economic Factors

- Inflation rate
- Interest rates
- Exchange rates and currency stability
- Economic growth trends (GDP growth)
- Unemployment and labour market conditions
- Consumer confidence and spending behaviour
- Disposable income levels
- Credit availability and lending policies
- Recession risks or economic recovery
- Global economic conditions are impacting the local market

Social Factors

- Demographics (age, gender, population growth)
- Cultural attitudes and values
- Education levels and literacy rates
- Lifestyle trends and consumer behaviour
- Work-life balance and employment expectations
- Health consciousness and diet trends
- Religion and ethical values
- Attitudes toward sustainability and CSR
- Migration patterns and diversity
- Urbanisation vs rural living preferences

Technological Factors

- Rate of technological innovation
- Access to emerging technologies (e.g., AI, IoT, blockchain)
- Automation and digitisation levels
- Technology infrastructure (internet, mobile, cloud)
- Cybersecurity and data protection technologies
- R&D investment and innovation incentives
- Technology adoption rates among consumers
- Tech-related regulations or standards
- Disruptive innovations (e.g., fintech, edtech, healthtech)
- Intellectual property protection

Legal Factors

- Consumer protection laws
- Employment and labour laws
- Health and safety regulations
- Antitrust and competition laws
- Data protection and privacy laws (e.g., GDPR)
- Intellectual property law
- Contract law and dispute resolution frameworks
- Environmental regulations
- Product liability and standards compliance
- Licensing and permits requirements

Environmental Factors

- Climate change and carbon emissions targets
- Environmental protection laws
- Sustainability practices and green policies
- Waste disposal and recycling regulations
- Energy consumption and renewable energy use
- Natural disaster risks (earthquakes, floods, etc.)
- Water and resource scarcity
- Biodiversity and ecosystem conservation
- Pressure from environmental NGOs and consumers
- Industry-specific ecological impact (e.g., oil & gas vs tech)