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Introduction	4
Task 1: Critical analysis of Environmental (Natural) and Economic Actors	5
1.1 Environmental Actors.....	5
Sustainability Trends	5
Greenhouse emissions.....	6
Resource availability	6
1.2 Economic Actors	7
Subsistence economies	7
Consumer spending power	8
Inflation	8
Task 2: Strategic responses (Ansoff's Matrix)	10
2.1 Growth under Environmental Pressures.....	10
Vinted and Depop.....	10
DHL and FedEx	10
Coca-Cola and PepsiCo.....	11
2.2 Growth under Economic Pressures	11
M-Pesa and Orange Money	11
Ryanair and easyJet.....	12
Unilever and P&G.....	13
Conclusion	14
References	15

Introduction

The marketing environment represents all of the influences which are outside of marketing management but will directly impact their ability to successfully develop and sustain relationships with targeted customers (Kotler et al., 2020). In the 2020s, one of the most influential areas of external influence is from the combined effects of the Natural Environment (including Climate Change, Water Stress and Circular Economy Demands) and the Economic Environment (including high levels of inflation, low or slow GDP growth rates and tight household incomes), creating what can be described as a cacophony of external influences upon businesses. This report reviews how six different pairs of companies are positioned at the intersection of the Natural and Economic Environments, and also applies Ansoff's Matrix to determine if sustainability led business models have the capacity to endure growing economic pressure.

Task 1: Critical analysis of Environmental (Natural) and Economic Actors

1.1 Environmental Actors

Sustainability trends (circular economy): Pioneer (Vinted) vs Follower (Depop)

Second-hand fashion has moved from niche to mainstream. It is expected to expand from approximately \$48.3 billion in 2025 to over \$138.9 billion by 2035, representing a compound annual growth rate of approximately 11%, due to consumer concerns related to environmental issues and to affordability when it comes to consumers' spending habits (Future Market Insights, 2025).

Vinted positions itself as a leader in the circular economy and has stated a vision to make second-hand "the first choice globally." Vinted has also expanded its offering to include homeware and lifestyle products in addition to clothing, and to support the expansion of its offerings in terms of logistics through "Vinted Go" and product authentication for higher-priced products (Scope 3 Magazine, 2024; Vinted, 2025). Depop, purchased by Etsy, targets a younger, style-conscious audience and, through its circular fashion program, seeks to "keep clothes that already exist passing from person to person," to make second-hand a part of people's everyday lives instead of something they do occasionally (Depop, 2024).

Additionally, there exists economic pressure that supports these environmental movements. Second-hand clothing sales were estimated to be approximately \$227 billion in 2024, accounting for 9 percent of total global fashion sales, and it is estimated that they will continue to increase due to tariffs and cost-of-living pressures pushing consumers toward second-hand clothing (The Guardian, 2025). Therefore, Vinted operates as a large-scale marketplace that serves value-and-climate-concerned users, and Depop follows with a resale model that is based on community-and-aesthetics, each turning the

focus on sustainability into a key component of their value propositions, not simply as a secondary corporate social responsibility messaging item

Greenhouse emissions (logistics): Pioneer (DHL) vs FedEx (Follower)

Freight transport is one of the most controversial sources of greenhouse gas emissions because of rising global trade and online retailing.



DHL's "Strategy 2030: Accelerate Sustainable Growth" (DHL Group: 2024)

DHL's "Strategy 2030: Accelerate Sustainable Growth" includes decarbonization among the four bottom lines — employees, customers, investors and "Green Logistics of Choice", according to DHL Group (2024). The group's Green Technology Roadmap and EV pilot programmes span trucks, vans and bikes, and DHL Express has expanded electric vans so they now account for a significant share of key national fleets (DHL Group, 2024).

Although FedEx has made commitments in some areas of green logistics similar to DHL, FedEx has pledged to make its global operations carbon neutral by 2040 and has budgeted over \$US2 billion to fund fleet conversion to alternative fuel vehicles, carbon sequestering and sustainable aviation fuels (Sustainable Aviation Fuels) (FedEx, 2025; FedEx Cares, 2023). Its sustainability reporting highlights increased EV deployment and multi-million-gallon SAF contracts at major hubs such as Los Angeles International Airport. However, both FedEx and DHL have competing interests when it comes to the cost of converting their fleets to alternative energy options as well as maintaining their competitive pricing of goods in a soft economy, although DHL has taken a leadership role in the area of green logistics due to its early and comprehensive approach.

Resource availability (water): Pioneer (Coca-Cola) vs Follower (PepsiCo)

Freshwater is an essential resource for beverages and for communities worldwide. As part of its 2030 Water Security Strategy, Coca-Cola is working to implement the three R's of water management (reduce, recycle and replenish) throughout its entire supply chain in countries experiencing water stress. Coca-Cola's objectives in this regard are to improve water use in plants, treat and recycle 100% of the water used in plant processes, and replenish the amount of water consumed in production of finished beverages in watersheds at risk around the world (The Coca-Cola Company, 2024).



Pep+ (PepsiCo, 2024)

PepsiCo similarly aims to be “net water positive” by 2030, meaning it intends to replenish more water than it uses in priority basins. In addition to its broader water goals, PepsiCo has established specific water goals for high-priority areas under its pep+ program and has expanded its programs to promote regenerative agriculture in those areas, aiming to have 10 million acres enrolled by 2030 (PepsiCo, 2024). Therefore, water scarcity and climate variability can be considered Environmental (Natural) Actors that require both companies to make investments in watershed restoration, in water efficiency technologies and in community-based partnerships. The strategic issue is how to balance increasing volumes of beverage products with increasingly limited amounts of local freshwater available to support these activities, particularly in developing markets.

1.2 Economic Actors

Subsistence economies: Pioneer (M-Pesa) vs Follower (Orange Money)

Factor	M-Pesa	Orange Money
Primary Markets	Kenya-led, East Africa	Multi-country across Africa + Middle East
Key Services	Transfers, savings, credit, gov payments	Secure payments, bill-pay, QR merchant, some savings/loans (Orange Bank Africa)
Inclusion Impact	Major role in rural financial access	Pan-regional inclusion agenda
Regulatory Context	Strong oversight by Kenyan regulators	Diverse regulatory regimes across regions

In subsistence and low-income economies, formal banking infrastructure is often sparse. As a result, mobile money has emerged as an important factor in increasing financial inclusion. M-Pesa was created by Safaricom in Kenya and provides transfer services, savings options, credit services and government payment services. According to the World Bank and GSMA, mobile money platforms, such as M-Pesa, have greatly increased financial inclusion in Kenya, particularly in rural areas (BusinessWorld Africa,

2025; GSMA, 2025). Also according to GSMA's 2025 State of the Industry Report, sub-Saharan Africa has approximately 1.1 billion of the 2 billion global mobile money account holders, which is about two-thirds of all mobile money account holders (GSMA, 2025).

Orange Money, which is available in various countries throughout Africa and the Middle East, is another regional competitor to M-Pesa. Orange emphasizes secure transactions, bill pay, merchant QR codes, and in some cases, savings and lending through Orange Bank Africa and defines its mission to increase financial inclusion (Orange, 2024). Although both provide greater access to financial resources for people living in subsistence economies, each operates under strict regulations regarding KYC/AML and can be subject to unstable macroeconomic environments. In addition to consumer income levels, central banks and telecommunication regulators will affect the sustainability of mobile money models at the margin.

Consumer spending power Pioneer (Ryanair) vs Follower (EasyJet)

Factor	Ryanair	easyJet
Positioning	Ultra-low-cost, relentless frugality	Low-cost with slightly higher service focus
Demand Driver	Trade-down during downturns	Short-haul leisure + business mix
Margin Model	High ancillaries + secondary airports	Mix of ancillaries + primary airports
Current Risk	Scrutiny of add-on fees	Same regulatory pressures (EU, Spain fines)

Ultra-low-cost carriers (ULCCs) grow market share when disposable incomes decline or remain flat. Ryanair's model is based upon extremely low base fares, the maximum utilization of aircraft, and the sale of a wide variety of "ancillary" products and services, such as checked baggage fees, seat selection fees, and the sale of food and drink onboard flights. The firm's focus on frugal operations has allowed it to become Europe's most profitable airline, converting "frugality into a billion-euro empire" via aggressive cost

reduction efforts and point-to-point service from secondary airports (Quartr, 2023; Driven Magazine, 2024). Ryanair's 2023 Annual Report outlines a low-fare, low-cost model with load factors above 90 percent on many of its routes (Ryanair Holdings plc, 2023).

While easyJet uses a similar low-cost model, it serves a slightly more service-oriented short-haul leisure and business travel customer base. easyJet's 2025 "easyJet Effect" Report states that connectivity between the UK and Europe grew 61 percent since 1995, and easyJet has added 170 net new direct routes (easyJet, 2025). Each of these airlines benefits when consumers choose to downgrade from legacy carriers during periods of economic decline. However, regulatory risks are growing: in recent months Spain has fined several low-cost carriers, including Ryanair and easyJet, €179 million for "abusive" fees charged by the airlines such as checked baggage fees and seat selection fees (Financial Times, 2024). Economic scarcity thus favours the ULCC model, but political scrutiny of fee structures threatens some of the margin levers that make ultra-low fares possible.

Inflation Pioneer (Unilever) vs Follower (Procter & Gamble)

Factor	Unilever	Procter & Gamble
Pricing Approach	Smaller packs + selective premiumisation	Premiumisation via “superiority” strategy
2023 Pricing Trend	Price rise moderating from double-digit peaks	~10% YoY increases supported by brand strength
Innovation Focus	Pack architecture + power brands	Performance claims + retail execution
Inflation Response	Shrinkflation more visible	Value through brand equity and disruption

Ongoing inflation has prompted major fast-moving-consumer-goods (FMCG) companies to review their pricing strategies and product portfolios. Global annual inflation rates were approximately 4.7 percent in early 2025, down from a peak of approximately 9.5 percent in 2022, but above many central banks' target inflation rate (IMF, 2025; IMF Data, 2025). Shrinkflation, which is defined as reducing the size of packs and keeping prices constant, has accounted for approximately 3.3 percent to 10.3 percent of grocery price inflation for select brands between 2019 and 2023 (Capital One Shopping, 2025).

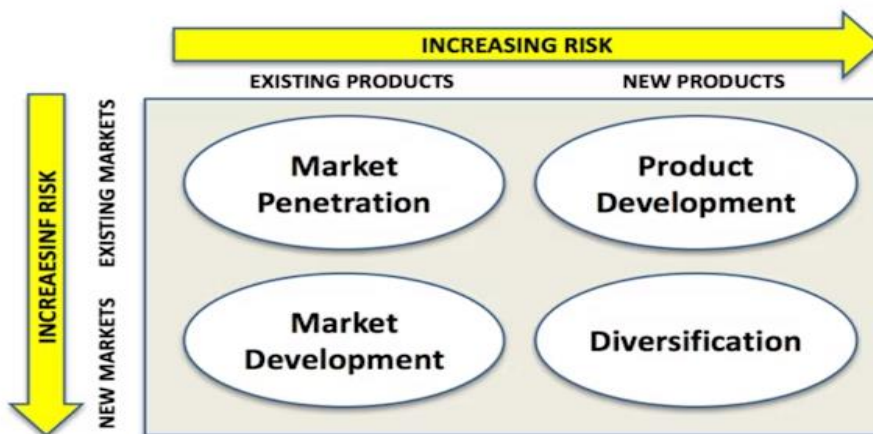
According to Unilever's 2023 Results, underlying price growth for the company was 10.7 percent in the first quarter of 2023, but declined to 2.8 percent by the fourth quarter due to a moderation in material price inflation, with categories such as Nutrition and Ice Cream experiencing the greatest price pressure (Unilever, 2024). The company combines price increases with product and pack architecture, including smaller sizes and premium innovations in “power brands” like Dove and Magnum, effectively mixing shrinkflation and premiumisation.

In contrast to Unilever's response to price pressure, Procter & Gamble (P&G) has focused on establishing a competitive advantage in terms of the quality of its products, packages, and retail executions. An analysis of P&G's pricing decisions in early 2023 found that P&G raised its prices by approximately 10 percent year-over-year, justifying the price increases

with the strength of its brands and the performance of its products (Procter & Gamble, 2023). Both companies are being impacted by the same macro-economic actor—inflation—but responding using different marketing levers: Unilever is using visible pack and portfolio changes; P&G is emphasizing brand-led premiumization and "constructive disruption" in its value chain.

Task 2: Strategic responses (Ansoff's Matrix)

2.1 Growth under Environmental Pressures



Ansoff Matrix (Ansoff, 1957)

Vinted and Depop

Vinted and Depop both rely heavily on market development to scale circular fashion. While Depop has developed youth subcultures in multiple markets and deepened its role as a social marketplace where each seller is also a "creator" (Depop, 2024); Vinted has also moved into lifestyle categories from just fashion, expanding geographically throughout Europe and into North America, utilizing their existing peer-to-peer platform in different countries and segments (Scope 3 Magazine, 2024; Vinted, 2025).

Both Vinted and Depop are engaged in *product development* as well, particularly around building user confidence through curation tools, style feeds and authentication because circular economies require consumers to be confident in the quality and authenticity of used goods. The major challenge for Vinted and Depop will be maintaining an environmentally sustainable image as they expand their scale, and avoid being perceived as simply another resale platform that fuels another wave of compulsive consumption.

DHL and FedEx

Strategy 2030 by DHL represents product development within green logistics offerings: low-carbon shipping options, EV-based last-mile services, and greener freight solutions supported by digital tools (DHL Group, 2024). In order to grow share of the sustainability-minded B2B customer base—retailers, manufacturers and e-commerce platforms facing Scope 3 emissions pressures—these products enable DHL to penetrate existing markets. Although FedEx is also developing greener services (EV fleets, SAF, carbon neutral goals), the majority of FedEx's growth is coming from penetrating existing markets more efficiently than before, rather than dramatically altering its product portfolio (FedEx, 2025; FedEx Cares, 2023).

While environmental regulations and customer demands are rapidly requiring that green logistics become a standard offering, high initial investment costs and soft freight demand constrain how much premium carriers can charge for sustainable service. For this reason, product development for these two companies must demonstrate both reduced emissions and cost savings in order to gain traction.

Coca-Cola and PepsiCo

In terms of product development related to water scarcity, both beverage giants have invested in packaging and process innovation. A combination of more efficient bottling lines, closed-loop water systems, and innovations in packaging materials, combined with watershed replenishment efforts make up Coca-Cola's water strategy (The Coca-Cola Company, 2024). Similarly, PepsiCo's pep+ strategy invests in regenerative agriculture and packaging innovations, while aiming for net water positive status in priority basins (PepsiCo, 2024).

These investments often support *market development* in emerging markets: credible water stewardship can help secure licences to operate and strengthen local brand legitimacy. However, there are many tradeoffs associated with such investments. Increased demand for local water resources results from increased sales in water

stressed areas, regardless of the fact that the company has improved its relative efficiency. Therefore, product development must include more than simply light weight packaging or recycled PET; it must also consider a shift in the portfolio of products offered, including lower-water beverages, concentrates, or refill models, in order to ensure that sustainability keeps pace with sales.

2.2 Growth under Economic Pressures

M-Pesa and Orange Money

The primary strategy of M-Pesa's expansion was to develop a new market for mobile financial services in Africa via partnerships with local mobile operators and regulatory bodies, expanding the number of available mobile money products (e.g., transfers, savings, credit) offered in Kenya to multiple African markets (Business World Africa, 2025). Orange Money followed a similar approach but with a broader reach, using Orange's extensive footprint to introduce mobile wallets and associated services to new customer segments across over a dozen countries (Orange, 2024).

Both of these companies utilized the "market" as their economic entity; in the case of mobile money, large numbers of unbanked individuals combined with high levels of mobile phone penetration provide favorable conditions for inclusive economic growth. As such, Ansoff's market development lens helps to illustrate how mobile money can serve to foster both profitability and sustainability (via social inclusion and digital literacy), although the potential to achieve these ends will depend upon the regulatory fees, taxes, and competitive pressure from banks and big tech wallets that influence mobile money providers' profit margins.

Ryanair and easyJet

Ryanair relies heavily on *market penetration*: it uses ultra-low fares, dense route networks and aggressive ancillary pricing to stimulate demand even when consumer spending power is weak (Quartr, 2023; Ryanair Holdings plc, 2023). easyJet, while slightly more

service-oriented, also prioritises penetration by adding routes, increasing load factors and promoting low headline fares with upsells (easyJet, 2025).

From an eco-economic perspective, their success raises uncomfortable questions: low fares encourage frequent flying, increasing aviation emissions, yet low-cost travel also democratises mobility for lower-income groups. Any future shift towards stricter carbon pricing or flight taxes would force both carriers towards more explicit *product development* (for example, sustainable aviation fuel surcharges, “green seats”) or even diversification into rail or multimodal offers. For now, however, market penetration dominates, with environmental goals subordinated to price competition.

Unilever and P&G

Unilever and P&G exemplify how FMCG firms use *product development* and selective *market development* to manage inflation. Unilever’s response has included reformulating products, resizing packs and launching premium “power brands” while gradually moderating price increases as input-cost inflation eased (Unilever, 2024). Shrinkflation—smaller packs at similar prices—allows it to protect margins while maintaining shelf prices in cash-constrained markets (Capital One Shopping, 2025).

P&G’s strategy emphasises “superiority” across product, package and communication, investing in higher-performance formulations and branding to justify price hikes that averaged around 10% year-on-year in early 2023 (Procter & Gamble, 2023). In Ansoff terms, both companies use product development (new formulations, packaging, formats) largely within existing markets, with occasional market development into new geographies or channels (for example, e-commerce, emerging markets). Economic actors such as global inflation and uneven income growth push them to choose between down-trading strategies (smaller, cheaper packs) and up-trading (premiumisation). Both options have sustainability implications, influencing packaging waste, resource use and the affordability of “green” product lines.

Conclusion

Environmental (Natural) Actors and Economic Actors now interact so tightly that strategic marketing cannot treat sustainability and profitability as separate agendas. Circular-economy pioneers like Vinted and Depop show that environmental goals can align with value-for-money in fashion, while DHL, FedEx, Coca-Cola and PepsiCo embed climate and water stewardship into growth strategies under shareholder scrutiny. At the same time, mobile money, low-cost airlines and FMCG giants demonstrate how fragile those commitments can be when subsistence needs, cheap travel and inflation dominate consumer priorities. Ansoff's Matrix helps reveal the trade-offs: market development and product development can support greener models, but only when firms accept lower short-term flexibility in exchange for long-term ecological and social resilience.

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