

Marketing and Sales

BMGM5001

Week 4: Marketing Plan

External Environmental Analysis

Ruth Taylor-Davies

ruth.taylor-davies@uwtsd.ac.uk

Ground Rules

Please ensure that your microphone is muted during all teaching until you are asked a question or there is a group discussion to prevent background noise.

You should attend every class and have a private space to work so that you can concentrate fully on the lesson.

You should not be at work, shopping, driving or caring for children.

Your camera must be always on during lectures please. - Use the Teams university background to protect your privacy.

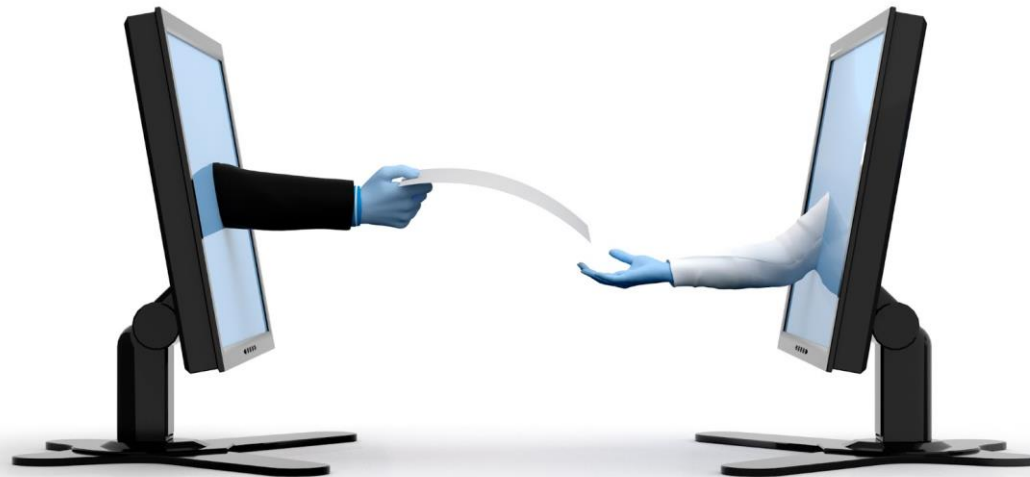
YOU must join via a laptop or PC/MAC – No attendance permitted on phones or tablets

You will be removed from the session and logged as absent if you fail to adhere to these criteria.

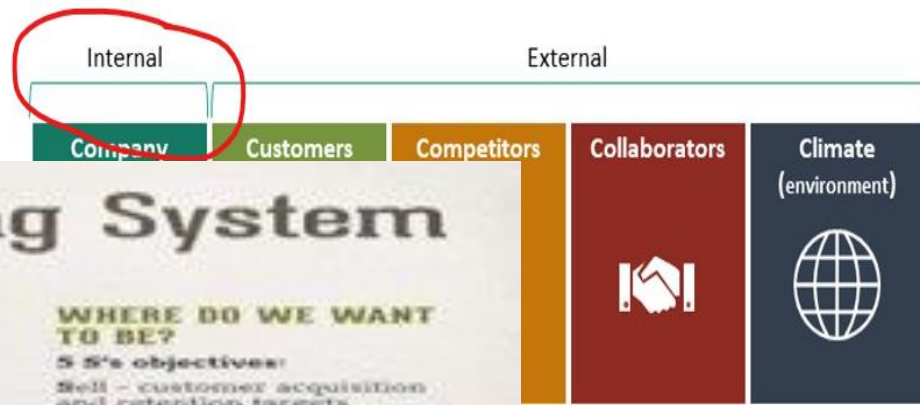
This and all sessions will be recorded so that you can watch them again



- This is a Full Time University course and as such the University definitions of engagement and decorum apply as they would in a physical classroom.
- Your Cameras must remain 'On' for the duration of the session in order to ensure equal engagement and for your lecturers to observe your full attendance of the session which is a condition for student loans/maintenance to be authorised.
- You should be using a **desktop or laptop device** with a camera, speakers and a microphone so that you will be able to engage in the session on equal footing with your classmates.
- You will be asked to share your screen and “present” your work, access documents, engage in writing activities use websites and create presentations which are either difficult or impossible on a phone.



What did we cover last week?



(Corporate finance institute, 2022)



Table of Content

1. Macro Environment Analysis

1. PESTEL Analysis
2. Competitors
3. Collaborators

Aims & Objective

Aim: Understanding the tools in environment analysis

Objectives:

- Understanding the PESTEL
- Application of PESTEL Analysis

Macro Environment Analysis

- Or External Environment Analysis
- Understanding the external environment to identify opportunities and deal with threats
- Gathering, analysing, and using the information to improve organisational performance.

PESTEL Analysis

- **P** – Political
- **E** – Economic
- **S** – Social
- **T** – Technology
- **E** – Environmental
- **L** – Legal



Political Analysis

- **Government Policies**
- **Foreign Trade Policies**
- **Tax Policy**
- **International Organisation Membership**
- **Brexit**



Trade Agreement

- Singapore Digital Economy Agreement
- Japan Comprehensive Economic Partnership Agreement
- Norway, Iceland and Liechtenstein Free Trade Agreement



Economic Analysis

- Exchange Rates
- Economic Growth or Decline
- Globalisation
- Inflation



- Interest Rates
- The cost of living
- Labour costs
- Consumer spending





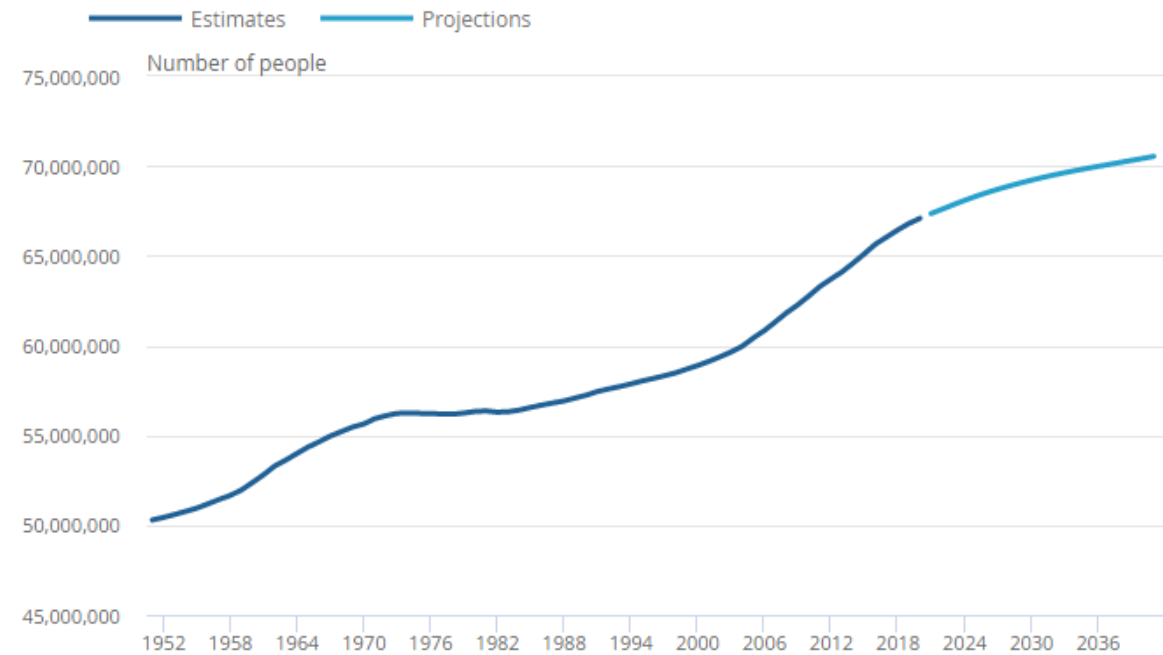
Social Analysis

- Demographic Data
- Characteristics
- Lifestyle
- Cultural Norms
- Expectations such as career attitudes and work-life balance

UK Population

Figure 1: The UK population has grown year-on-year since 1982

UK population estimates and projections, mid-1951 to mid-2041

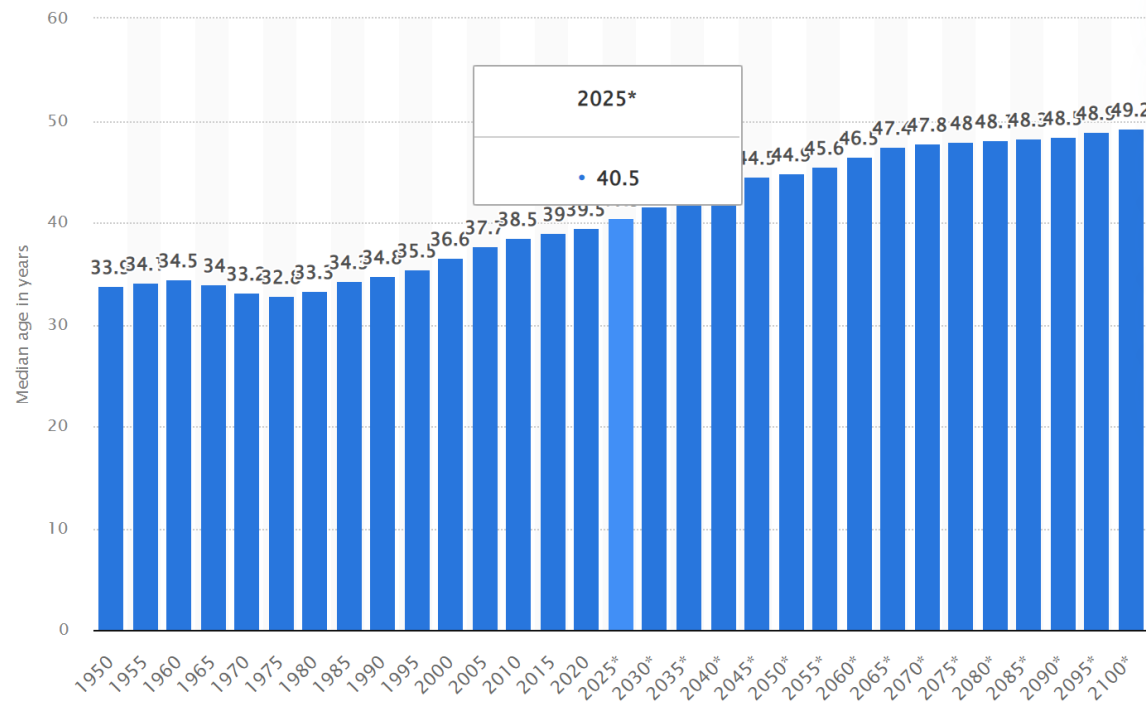


(Gov, 2022)

Economy & Politics > International

United Kingdom: Median age of the population from 1950 to 2100

(in years)



[Additional Information](#)

© Statista 2024
[Show source](#)

DOWNLOAD



Source

- [→ Show sources information](#)
- [→ Show publisher information](#)
- [→ Use Ask Statista Research Service](#)

Release date

August 2022

Region

United Kingdom (Great Britain)

Survey time period

1950 to 2022

Supplementary notes

*Figures are estimates.

According to the source, figures have been based on a medium variant.

Technological Analysis

- Production Techniques
- Logistics
- E-commerce Technologies
- Automation
- ChatGPT



Automation – Amazon



Automation - Restaurant



Environmental Analysis

- Natural Disasters
- Pollution levels
- Weather Patterns
- Global Warming
- Environmental Regulations
- Recycling



Air Pollution – leads to loss of talent



Legal Analysis

- Health and safety
- Equality
- Consumer Rights and Laws
- Product Labelling
- Product Safety



Laws

- Standard
- Companies Acts
- Charities Legislation
- Competition Legislation



An insight into the business legal environment

- All businesses have to comply with certain legislation. Failure to do so puts the business at risk and can lead to fines or legal action.
- E.g. in the UK, organisations need to comply with the following examples:
 - Consumer Rights Act 2015
 - Sales of Goods Act 1987
 - The Consumer Contracts Regulation 2013
 - The Consumer Protection from Unfair Trading Regulation [2008][CPRs]
 - The Consumer Protection from Unfair Trading Regulations 2008
 - Fraud Act 2006 – Sections 2 and 11



How do you conduct a PESTEL Analysis?





- Identify the scope of the research. It should cover present and possible future scenarios and apply to the industry and areas of the world in which the business operates.
- Decide how the information will be collected and by whom. Identify more than one person to gather data to bring diverse evidence and perspectives.
- Identify appropriate sources of information. You may find areas of PESTLE are a bigger focus to your industry than others but exploring information for all of them will give you a bigger view of the external environment.

(CIPD, 2023)



- Gather the information.
- Analyse the findings.
- Mark each item in terms of importance in relation to potential risk to the organisation.
- Identify the business options to address the issues.
- Write a discussion document for all stakeholders.
- Disseminate and discuss the findings with stakeholders and decision makers.
- Decide what actions need to be taken, and trends to be monitored.

(CIPD, 2023)



15 mins



Competitors

'Positioning'

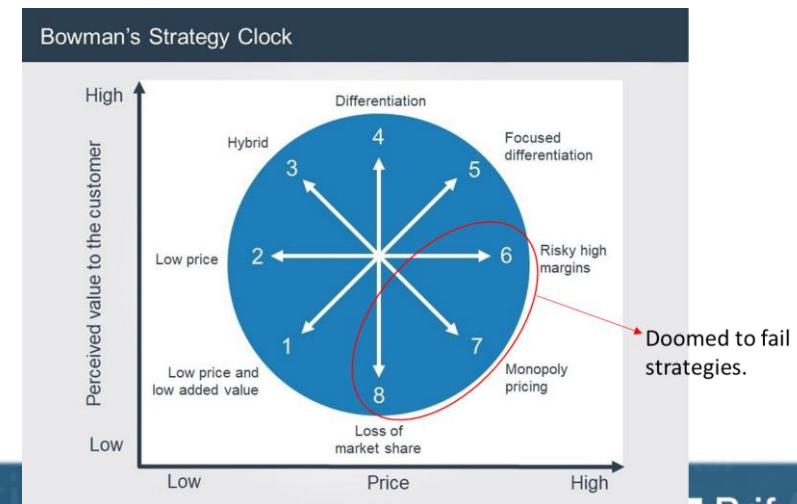
Direct/Indirect competitors?

New competitors/entrants?

What do they do? What do we do?

Is it hard to replicate?

How do customers perceive us vs them?



Positioning



Man Geni Addysg Uwch yng Nghymru
Where Higher Education Began in Wales

Value Propositions

A value proposition is the “the full mix of benefits on which a product is differentiated and positioned. It is the answer to the customer’s question ‘why should I buy your product?’” - Kotler et al. (2018, p.232).

To know the answer to this we’re going to explore the following:

- Brand positioning
- Objective/subjective positioning
- Perceptual positioning maps
- Competitive advantage and USP
- Positioning statements



Positioning Strategies

These are designed to answer two questions

1. Against who should a brand position?

There are usually other brands in the same competitive set

Holiday inn Express competes against Hampton Inns (Hilton Brand) Domino's pizza competes against Papa Johns Pizza- they are in **direct** competition in the same product class.

2. How should a brand position?

The answer provides the basis for a brands competitive efforts. Burger King and McDonald are **direct competitors** in the burger market.

McDonalds dominates the Burger fast food product class but Burger King saw a market position as 'The competitor' this happens often as brand rivalry can drive the market demand. E.g Coca-Cola-Pepsi,

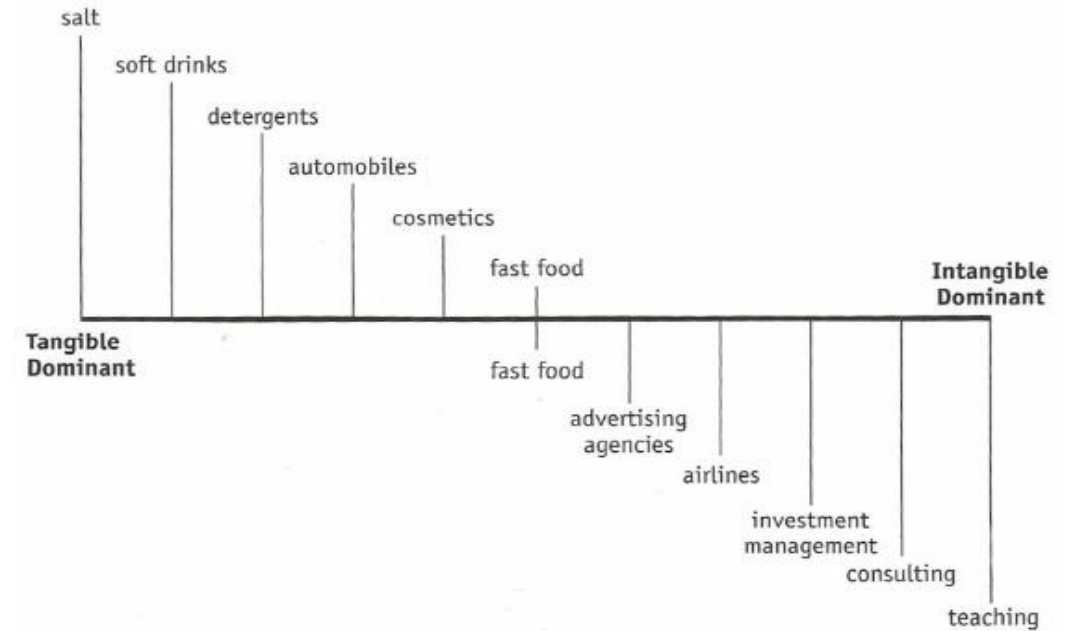
Burger King has long positioned itself as the competitor which offers a unique feature of their products (being flame grilled!) However, McDonald has now introduced its '**create your taste**' initiative where customers can customise their burger **using electronic ordering screens...**

Burger King may need to rethink its positioning!





Shostack's spectrum (1977)



5 Key differences in hospitality



Intangibility



Inseparability



Perishability



Variability



Not owned

Objective Positioning



This refers to the **tangible, real or physical attributes** that a hotel or restaurant offers to its customers.

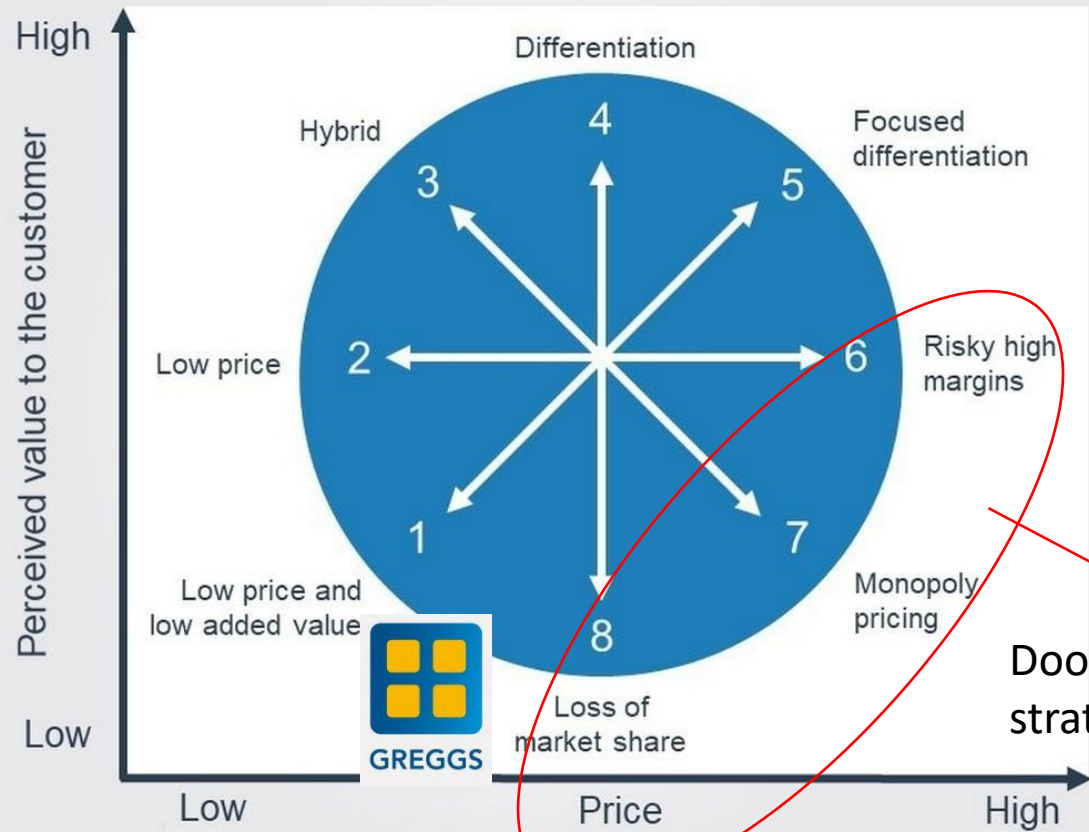
Attributes : the size of bedrooms, beachfront location, facilities & amenities in the bathrooms of luxury hotels, the menu of a quick service restaurant.

These are the **main aspects that aim to differentiate** the operation from the competition.

This can be unsustainable as they are easy to copy and then imitated by competitors.

But is still a **popular strategy**, with some managers failing to realise that restaurants & bedrooms can all look very similar to the consumer.

Bowman's Strategy Clock



Objective positioning

A great tool to highlight differentiation strategies of both your business and the competition is (Bowman, 1987) strategy clock

Each of the positions on the clock represent how pricing strategy and perceived 'Value' can help identify market position as well as present opportunities to fill market gaps or highlight opportunities for entry into markets.

Type in the chatbox where these brands belong on the strategy clock e.g McDonalds, Pizza Express, The Ivy

Doomed to fail strategies.





Product positioning: what is it?

Product positioning is “the way a product is defined by consumers on important attributes – the place it occupies in consumers’ minds relative to competing products”

- Kotler et al. (2018, p.228)

This is made up of:

- Feelings
- Impressions
- Perceptions

All in relation to other competing products/services.



Subjective Positioning

Focusses on intangible aspects : opportunity to position brand effectively, more difficult for competitors to imitate.

Intangible-dominant

- Intangible dominant products: service, atmosphere, reputation, history and image, so marketers are highly creative in language and imagery which highlights experiences.
- ‘tangibilize the intangible’ by finding certain tangible evidence that **supports the positioning** of the company.
- E.G Four Seasons Hotels & Resorts are positioned within the luxury sector, but with advancing competition, they introduced own luxury jet service to transport customers to its resort locations, other examples include ancillary products such as the quality of complimentary consumables access to services etc..



Perceptual positioning maps

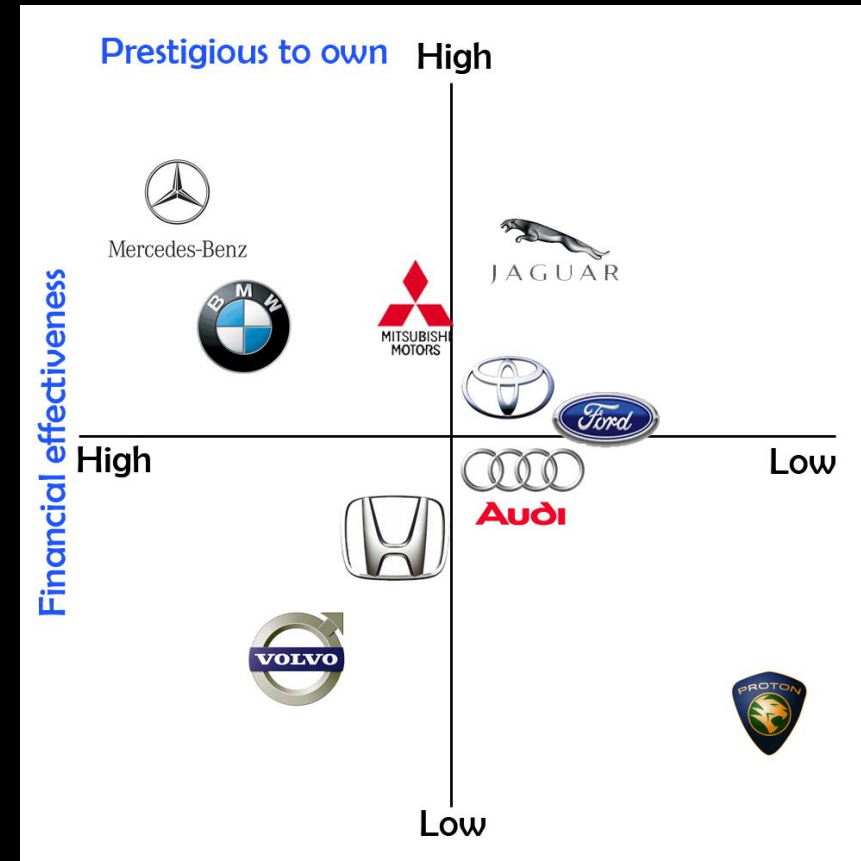
The mind of the customer..

These 'maps' of the market unlike bowmans are not limited to 2 fixed variables (price and perceived value) this map can use any qualities consumers find important when examining a market.

E.g, for a phone it could be speed 'X' and storage 'Y' for cereal it could be taste 'X' and calories 'Y', hotels could be?

'Show the relationship between competitors' offerings and the criteria that consumers use when making purchase decisions

Enables an organisation to know where consumers place them in relation to competitors

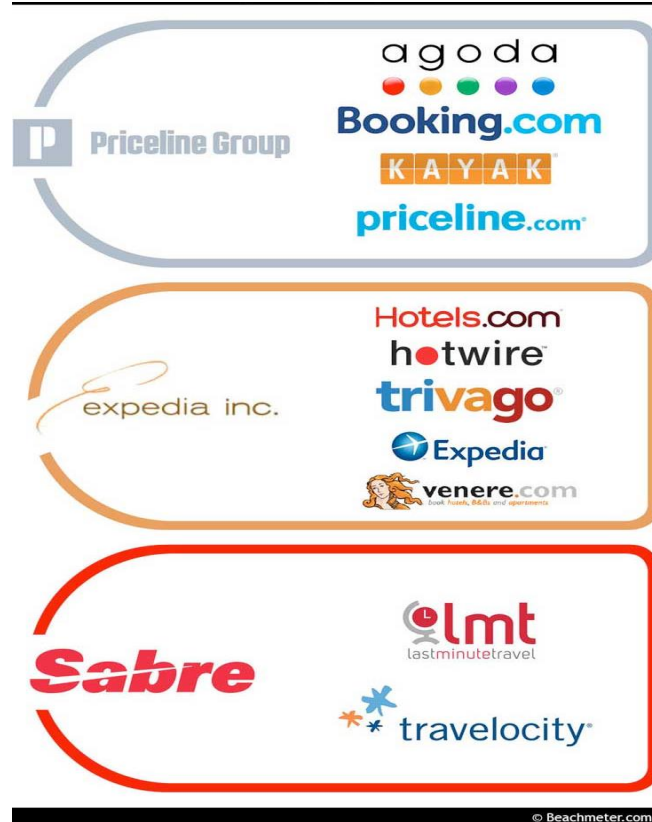


Activity

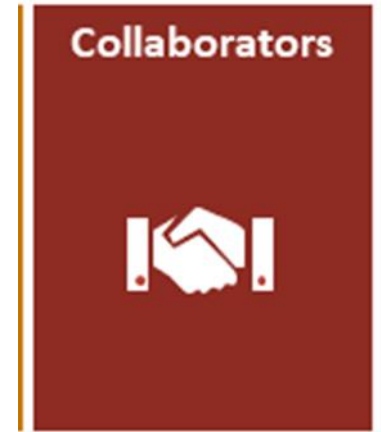
- In the breakout room, research the following food brands and create a positioning map based on price and quality:
 - Nando's
 - McDonalds
 - Pizza Express
 - The Ivy
 - Miller and Carter
 - Ask
 - Taco Bell
 - Gordon Ramsay Restaurants



15 mins



Collaborators



Who do we work with?

Stakeholder?

Partnerships?

Franchisees?

Incentive/Environmental schemes?

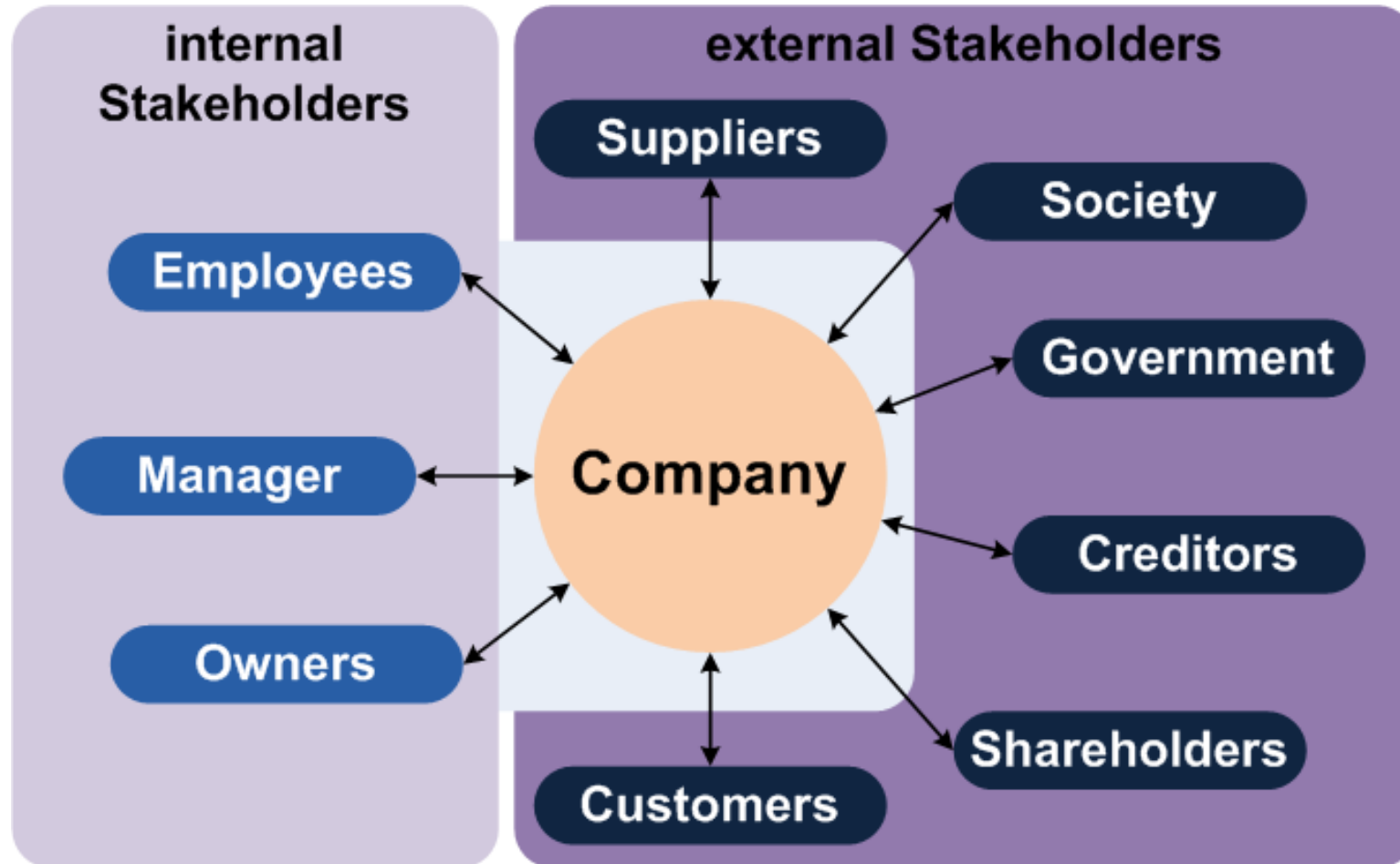
Charities?



*Man Geni Addysg Uwch yng Nghymru
Where Higher Education Began in Wales*



Stakeholders



Theory developed by Edward Freeman (1984)
A **stakeholder** of an organisation is:

“Any group or individual who can affect, or is affected by, the achievement of the organization’s objectives”
(Freeman 1984:46)

Activity

- Undertake research and prepare a presentation based on the following:
- Create a PESTEL Analysis for one of the restaurant groups below. NB – base your PESTLE on legal/governmental laws/guidance in the UK.
 - Toby Carvery
 - Pizza Express
 - Nandos

Next Week!

- Tactics,
- Actions
- & Control



I look forward to seeing you next week.

*If you have any questions in the meantime,
please send an email from your student
account*

ruth.taylor-davies@uwtsd.ac.uk



Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

List of Reference & Sources

- [United Kingdom - median age of the population 1950-2100 | Statista](#)
- [https://yougov.co.uk/ratings/consumer/popularity/dining-brands/all](#)
- [Overview of the UK population - Office for National Statistics \(ons.gov.uk\)](#)