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Introduction

The aim of the assignment is to understand the different aspects of environmental marketing analysis and its impact on organizational development. Here, the chosen organization is Morrisons. in order to conduct this analysis, the assignment will going to asses the external factors and then focus on identifying internal environmental analysis, which will shed light on the organizational abilities and evaluate the impact of marketing strategies in order to improve the overall performance of the company.

Considering environmental marketing analysis is effective in understanding the external influencing drivers with analyzing the internal environment

Environmental marketing analysis is a compelling strategic tool that helps identify external and internal factors that impact organizational abilities (Trivedi *et al*., 2018). Here, this strategic tool helps to identify internal and external factors of the environment and their impact on the overall performance of Morrisons. Morrisons is one of the fifth-largest supermarket chains in the United Kingdom (Morrisons, n.d). There are some effective ways to understand external marketing analysis. For instance, the PEST model is helpful in understanding different external marketing factors, and the internal environment is comprehended with the help of the SWOT framework.

PEST framework

The PEST framework is a strategic framework that helps to evaluate external environmental factors, including competition factors, and technology, that continuously create an impact on organizational abilities.

Political factors: The political factors help to understand taxation, employment laws, and political stability that create an impact on the organization. For instance, the decreasing tax rate helps to

create scope for a company to expand its business. However, increasing the tax rate increases the risk of managing their supply chain management, and this affects business performance. In the year 2020, the tariff rate in the UK was 1.9%, and it decreased in the year 2019 (Tariff rate, applied, simple mean, all products (%) - United Kingdom, n.d.). Therefore, it creates an opportunity to take fewer service changes from customers, and this way, it is responsible for increasing the purchase patterns of customers, and that helps to support the company in gaining a competitive advantage. Besides, in the UK, people pay a 20% VAT charge on goods and services, the reduced rate is 5%, and the zero-rated goods and services are applied to clothes and foods (VAT Rates, n.d). This charge helps to guide the company in enhancing the purchase patterns of customers. In order to manage this VAT rate, the company offers approximately 50000 products and 10cm baskets per week to customers online, and it helps customers to pay less amount of tax (Group Tax Strategy, n.d.). In this way, it helps to improve their purchase pattern. Besides, the online also lead to ensuring the current amount of tax which includes customers' duties and excise duties within the supply chain management (Group Tax Strategy., n.d). The functional heads of the company are responsible for managing the systems, processes, and managing tax within the business. The Group tax team are responsible for collecting regular reviews of customers and testing controls which helps to find out the requirement of internal audits.

Economic factors: The economic factors are focused on the impact of the economy and the market. In terms of creating the marketing environment, the managers need to consider economic viabilities that create either positive or negative impacts on business performance. For instance, in the UK, the inflation rate of the UK is extremely low, and this helps to manage the stable economic environment within the organization. Here, the inflation rate in the UK is 2%, and it is hard for businesses to set the right price for customers (Inflation and the 2% target, n.d.). The customers

want to put off prices, and customers want to deal with the falling prices. It makes challenging for retail companies to manage their business performance, and companies could fail to deliver job opportunities to employees. In this way, the economic factors help to manage financial strategy and create scope for using their time and resources. Morrisons is reducing the prices of its 150 products, and it helps customers to purchase further of their favorite products (Morrisons helps customers by cutting prices on popular products, n.d.). The lower prices cover 6% of the total volume sales and create scope customers for saving 14%. Morrisons offers good prices to customers both in offline and online modes. It helps to increase the purchase patterns of customers. In this way, a marketing strategy helps to set competitive prices, which helps to increase the sales of the company.

Social factors: Social factors are helpful in identifying societal changes over time, and it helps to find out the mindset of communities both nationally and internationally. The socio-cultural factors help to assess the overall products and services and their development within the organization. Some factors consider the business needs, including family size, income behavior, buying behavior of people, and many more. Morrisons offers a wide range of products and services to customers. The wide range of groceries, household laundries, bakeries, Drinks, foods and cupboards, and many more. Morrisons found out the purchase patterns of customers, and it has been found that the customers of the UK like to purchase products online, but before purchasing online, at least 28% of customers prefer to check prices at their physical stores. For this reason, customers in the UK want to prefer high-quality products at affordable prices (Ellen Hammett, 2018). In order to increase the affordability of customers, Morrisons use omnichannel marketing channels to improve the purchase patterns of customers. Omnichannel marketing activities are an effective method for marketing that helps businesses to promote their products and services across their channels,

devises it, and ensures to reach the maximum number of customers (Lopes *et al*., 2022). Morrisons has launched a new feature loyalty scheme that helps to give shoppers accept discounts both in their physical stores and online. In 2018, Morrisons used its amazing marketing campaign to lure the maximum number of customers. The name of the campaign was "what we make, makes us who we are," and with the help of his campaign, they turned the attention to the farmers and fishermen, and with the help of this campaign, they created awareness among customers regarding their supply chain management (Morrisons 'What we make, makes us who we are' by Publicis London, n.d.). They unveiled in the Tv ads where Morissons show their close relationship with suppliers, and they have launched this with the help of Publicis agencies. This campaign helps to show their price patterns by using their significant relationship strategy with suppliers. In 2017, the supermarket added 750 new local products and 200 new British items, and this helped to increase their sales by up to 50%. The number of customers interested in buying local products that risen from 7% to 68% over the past 12 months (Ellen Hammett, 2018).

Technical factors: Automation and technical abilities help the company to adopt new technical innovations and support the company in acquiring a new customer base. Morrisons uses different technical innovations to improve its products and enhance marketing strategies. The digital and innovation team is working hard, and they continue to focus on improving their marketing activities by adopting innovative technology. For instance, the company uses machine learning and artificial intelligence systems to understand the need of customers, and after knowing this, the company has designed a marketing campaign to create awareness among customers regarding the benefits of customers. Innovative order and supply chain management help to improve customer experiences (Krizanova *et al.*, 2019). The e-commerce abilities help to shape the future of customers. Tactical promotions help to identify the essential price points, and that helps to improve

overall marketing performance. In order to use the machine learning strategy, the company is significantly improving its data science, and with the help of this, the company collects a large number of data on customers that helps to scale up its business. The data generates all possible data on customer behavior (*Morrisons Careers*, n.d.). The customers of the UK are internet friendly, and the statistics show that 5 million customers are using the internet frequent basis (Number of internet users by frequency in Great Britain 2006-2020, n.d.). This customer base is utilized by the company to improve its online marketing strategy. Online advertising is very appealing to customers in this way.

Internal environmental analysis of Morrisons

Strengths	**Weakness**
● An effective supply chain management ● An effective marketing strategy ● An efficacious pricing strategy	● Has a limited geographical reach ● Poor customer satisfaction ● Facing trading environment challenges
Opportunities	**Threat**
● Expanding market ● A growing market with the help of the advancement of products.	● Taxes and change of government policies ● High competitive pressure

Table 1: SWOT framework

(Source: created by self)

In order to analyze the SWOT framework, it has been found that Morrisons have a large product portfolio, and they use a marketing strategy where they highlight the product portfolio to customers. Besides, their effective supply chain management is also highlighted in their marketing campaign. For instance, the company launches recently the campaign 'Farmer Christmas,' and with the help of this campaign, they have bought back farmer Christmas and celebrate all kinds of food (Winchester, n.d). In this way, it creates an opportunity for expanding its market in another geographical region. In this way, they focus on developing their wider strategy, which helps to offer competitive prices, serving customers better with the help of online and convenience stores. On the other hand, the company faces enormous challenges due to a lack of managing the trading environment. In order to cope with the trading environment, the company has lost its overall cost, and 6.4% of sales have declined, which faces a challenge for the company to cope with highly competitive pressure (Morrisons sales slump amid 'very challenging' trading environment. n.d.). In order to develop the whole environmental marketing analysis. It has been found that marketing plays a major role in improving overall performance. The overall analysis helps to understand that marketing plays some important roles in organizational development.

Product and service management: Marketing of Morrisons helps to develop a plan and directs and controls all phases of product development. It helps to fulfill the need of customers, and using machine learning helps to gather detailed data about customers and analyzing this data, the company find out the exact need of customers.

Pricing: The pricing strategy is determined by the marketing strategy of the company. The pricing determination is not easy for the company. However, the marketing strategy of Morrisons helps to find customer behavior in the UK, and by analyzing the mind of customers, the company adopts a competitive pricing strategy for improving the accessibility of customers (Morrisons, n.d).

Distribution: The marketing activities help to improve the distribution strategy of the company. The data analysis helps to understand that the people of the UK give importance to both strategies, and with the help of this, they offer customers to collect products from both online and offline stores (Morrisons, n.d).

Recommendations

Firstly, the company will focus more on improving its marketing campaigns and must give more importance to using social media. In social media, they can arrange a detailed customer survey, and it helps to understand the need of customers (Kumar and Mittal, 2020). The employees must encourage customers to share their opinion regarding customers, and this helps to gain a more customer base within the global market. It also helps to build the target audiences. In order to plan a marketing plan, targeting audiences is very important. Therefore, a detailed customer survey helps to identify the needs of customers as per their age requirements. This way, they will get more ideas to improve product design and strategy.

Secondly, the company must with the mind of the audience. In that case, artificial intelligence can be used to know customer preferences. They must train employees to develop an effective customer-oriented strategy. They must take time to conduct personal interviews with customers. The employees use their digital communication strategy to involve in social media conversations with customers. In this way, it will help to improve more satisfaction level of customers (Bala and Verma, 2018).

The company gives priority to its content development, and using this strategy, they highlight the benefits of products, and an effective image helps to attract customers to purchase high-quality products (Hollebeek and Macky, 2019). They can recruit an effective content writers team who

can support the company in developing high-quality sales pitches, and it helps to create more awareness among customers.

Conclusion

It is concluded that external marketing analysis helps to find out the internal and external factors that create continuous influence on the chosen company, Morrisons. It has been found that political, social, technological, and environmental factors create a long-term impact on organizational abilities. The company adopts advanced technology to improve its marketing strategy, and with the help of essential marketing activities, they offer high-quality products at low prices. Morrison offers customers to purchase products from both online and offline stores, and in this way, it helps to acquire a competitive advantage.

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