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1. Introduction

This report will critically evaluate the importance of strategic marketing management in business strategy formation particularly in the macro marketing environment. In the organizations in the competitive industry, strategic marketing plays a significant role in ensuring that it beats the odds of the volatile business environment. Knowing the external factors, businesses will be able to make appropriate decisions that contribute to the development and further success. The report underlines the significance of environmental analysis of the macro environment using the PESTEL argument (Political, Economic, Social, Technological, Environmental, and Legal variables). They are the consideration that affects business operations and the market dynamics and it is important that companies remain receptive to the change in the market conditions. The analytical emphasis will be laid on the ways in which the pioneer organizations such as Apple and follower organizations such as Samsung react in a strategic manner to external changes and opportunities. The report shall use strategic models which include Growth Matrix of Ansoff to gauge their responses. Conclusively, the report will emphasize the imperative need to adjust to macro environment in ensuring business success in the long run and competitiveness.

2. Task 1: Critical Analysis of the Macro Marketing Environment

2.1 Overview of the Macro Marketing Environment

The external environment is called the macro marketing environment because it represents factors that affect the performance of an organization. These are not in control of the company to a great extent, yet majorly influence the companies strategic decisions and marketing efforts (Kotler et al., 2019). These factors should be understood to enable businesses to predict the market changes and be able to adapt to the new situations and come up with reliable marketing decisions.

Political factors are government policies, tax laws and political stability, which can potentially influence the market conditions. Markets can be closed or opened by changes

in trade like tariffs or regulations, where a firm strategic direction of the company would be directly affected (Porter, 2008).

Consumer purchasing power depends on economic factors which are inflation rates, exchange rates and economic growth. During economic recessions, consumers might cut the amount of discretionary expenditure, and the businesses have to readjust the pricing and promotion (Kotler et al., 2019).

Consumer habits and demand patterns are influenced by such social factors as demography and culture changes. As an example, the growing concern on health and wellness has resulted in the uptake of healthier products by many companies.

The technological aspects involve innovations which have the potential to disrupt an industry and introduce new marketing opportunities like the emergence of digital marketing platforms (Chaffey, 2015).

Environmental factors are associated with the issue of sustainability and regulations regarding the environment which will impact on product offering and business practices.

Lastly, there are legal engagements that incorporate legislations concerning advertisements, intellectual copyrights, and consumer rights, and by which businesses that do not wish to be caught by the law are obligated to uphold (Kotler et al., 2019).



Source: (Rothaermel, 2017)

2.2 Selection of Two External Macro Marketing Actors

The external macro marketing forces that greatly impact both Apple and Samsung in the smart phone industry are technological innovation and the regulations of environmental sustainability.

Technological Innovation

The smartphone industry is characterized by technological improvements, which has a huge impact on Apple, as well as Samsung strategy. The growing pace of the 5G technology, foldable screens, AI-based functionality and enriched mobile ecosystems keep reinventing the expectations and competition among the consumers and the market. To be a part of these changes, Apple and Samsung as the key players will have to remain on the frontline of their changes to be competitive. The continuous product design and features innovation is essential to both the companies since people require the most relevant technological developments in their products. Some examples include the fact that Apple has embraced the use of facial recognition earlier and Samsung has introduced curved displays, and they are important manifestations of technological leadership (Kotler et al., 2019).

Environmental Sustainability and Regulatory Pressure.

Sustainability issues especially the environmental factors have emerged as a major player in the smartphone industry. The increasing demands of consumers, governments and environmental agencies have put companies such as Apple and Samsung at the peak of thinking about sustainability such as carbon emissions, e-waste and resource use. There are also regulatory changes concerning the environmental standards and companies need to be flexible in order to meet the regulatory standards as well as address the demands of consumers in order to have more sustainable products.

As an illustration, Apple has gone to great lengths to minimize its environmental impact through such initiatives as appealing to recyclables in its products and a target carbon-neutral state by 2030 (Apple, 2020). Samsung has also made a promise to more sustainable manufacturing operations and product designs that avoid using energy and enhance product reusability (Samsung, 2021). This significance of this actor becomes more evident by the fact that smartphones constitute a considerable share of the

electronic waste in the world. Millions of tons of CO₂ emissions in the smartphone industry in 2022, which made the necessity of an environmentally-responsible approach (Deloitte, 2022).

2.3 Critical Analysis of Each Actor

Technological Innovation

Innovative technology affects pioneer and follower organisations at different levels because they do not have the same strategic orientations. Apple, being a pioneer firm, employs technology as one of the key sources of differentiation and competitive advantage. Its strategy to create its own hardware and software, which manifests itself in a number of innovations, including the A-series processors, Face ID, and the iOS ecosystem, enables it to live up to consumer expectations and set the standards (Sharma and Chan, 2018). This expansion of the technology boundary ensures that Apple enhances its sophisticated brand name and loyalty. Nevertheless, leading-edge innovation can be characterized as risky in that, there are substantial R&D costs and the product lifecycle is reduced and there is the risk that the new technologies might not be consumed by the market. This poses an issue of strategy: Apple has to constantly develop successful innovations to stay in the lead, and balancing the costs and risks of firstness.

Samsung is a follower organisation, and it takes a different strategic position to technological change. Samsung typically perfects innovations that are made by leaders of its market before launching market-shifting innovations. The way it has developed OLED displays, sophisticated camera arrays, and foldable smartphones in a relatively short period of time demonstrates that it is capable of capturing the new trends and making them usable by the masses (Lee and Mendlinger, 2018).

The technological innovation offers both companies the chance of diversification into such complementary products like wearables, smart home and augmented reality technologies. Simultaneously, it poses a threat, including faster obsolescence, decreased consumer loyalty, and increased competition.

Sustainability of the Environment and Pressure to Regulate.

Environmental sustainability is an important external player that has impacted both Apple and Samsung because of the increasing consumer demands and tighter regulations across the globe. Apple is an environmentally aware industry leader as it applies sustainability as a part of its competitive advantage. Its initiatives, such as the removal of plastic in its packaging, use of more recycled materials, and its commitment to be carbon neutral by 2030 make it a better company in terms of corporate reputation and attracting ethically mindful customers (Dangelico & Vocalelli, 2017).

On the contrary, Samsung despite its better performance in the environmental field is still seen as a laggard in the area of sustainability. Its attempts at cutting carbon emissions, increasing its recyclability, and refining its energy consumption only reflects compliance-based sustainability and not a brand-defining approach (Kim and Lee, 2020).

Both organisations have opportunities in environmental sustainability such as; cost-saving due to energy-saving regulations, brand equity and availability of environmentally friendly markets. But it also presents threats, which include increased cost in production, regulatory fines, and probability of brand damage, which is associated with unsustainable practices.

3. Task 2: Strategic Responses of Pioneering and Follower Organizations

3.1 Pioneering Organisations' Strategic Responses

Organizations that innovate or are pioneered, like Apple, have new products or introduce innovations to the market that upset markets and bring change to the entire industry. To preserve their competitive edge, the organizations use strategic models like the Growth Matrix of Ansoff that can guide them through the growth opportunities and outside threats. Specifically, Apple has employed such strategies as Market Penetration, Product Development, Market Development, and Diversification as a means of establishing its dominance in the forefront of the technology sector.

Ansoff's Growth Matrix

Market Penetration: Apple applies the market penetration as a way of expanding its footprints within the prevailing markets. The effective brand loyalty and the international marketing practices used by Apple contribute to the attracting of new buyers. As an example, in 2020, the launch of the iPhone 12 and its 5G technology was being promoted as a real technological innovation and triggered the demand of the product, as well as guaranteed that this brand remained in a premium position (Hitt, Ireland, and Hoskisson, 2017).

Product Development: Apple has had a reputation of emphasizing on product development and launching completely new product lines that transform the existing markets. A good example of this strategy is the release of iPad in 2010. In developing a new type of tablet computing, Apple did not only create a new demand, but also matched the expectations of consumers in the field of mobile devices (Barney, 2019).

Market Development: The other important strategy in the development of Apple is Market Development, which entails expanding into new geographic markets, or it also includes updating of specific new customer groupings. In India, Apple introduced cheaper devices such as the iPhone SE to serve the market, which is price-sensitive and at the same time capitalize on its premium brand placement (Grant, 2016).

Diversification: Apple has employed the strategy of diversification through its growth into non-hardware services. Apple has long been known historically as a company producing computers and mobile devices and in recent years has achieved diversification in digital services including iCloud, Apple Music, Apple TV+, and Apple Arcade.

Strategic Example of Apple

Optimisation of the Growth Matrix by Apple is manifested in the flow of growth in various dimensions. The main factors that have enabled the company to remain above the competition in the very dynamic tech industry are the strategic utilization of market penetration, product development, market development and diversification. As an illustration, although market penetration is manifested in the annual product renewals of the iPhone and other core offerings, the diversification of Apple to services such as iCloud and Apple Music make sure that it enjoys high-margin recurrent revenues. Apple has

achieved product development through product introduction in the form of iPad and market development in penetrating into new markets such as India with cheaper products. This integration of the Growth Matrix by Ansoff enables Apple to stay in a leading position and constantly respond to the changes of the market.

3.2 Follower Organizations' Strategic Responses

The follower organizations, including Samsung, must deal with the issue of competing with the pioneer firms that already have set a strong foothold in the market. Nevertheless, the follower firms can successfully place themselves in the market through strategic models such as the Growth Matrix developed by Ansoff. Market penetration, product development, market development and diversification are some of the strategies Samsung has incorporated to remain competitive in the industry as a follower.

Samsung Growth Matrix developed by Ansoff.

Market Penetration: Samsung has also employed market penetration by providing a variety of smartphones at diverse price ranges and therefore has managed to get a large customer base. The success that Apple had on the iPhone forced Samsung to introduce Galaxy series that could attract customers who desired similar features at lower prices. With a regular change of the product and providing affordable prices, Samsung had quickly acquired leading roles in both high-end and low-end markets with the assistance of the recognized brand and distribution networks (Johnson et al., 2017).

Product Development: Samsung has used product development through the constant innovations and advancement of its smart phone products. The launch of new technologies such as OLED screens, curved screen, and the use of foldable technology (such as the Samsung Galaxy Z Fold) boosted the uniqueness of Samsung over Apple products, which served consumers with high-end features. These inventions not only positioned Samsung as a uniquely different brand but made it a leader in technological changes in the smartphone market (Yang and Lee, 2019).

Market Development: Samsung market development strategy has worked on its expansion to emerging markets especially in Asia, Africa as well as Latin America. Samsung has also launched affordable products in countries like India where Apple high-

end products are not very common as this company aims to attract middle classes who are emerging in large numbers. In these areas, focusing on local needs, offering products at a lower price, Samsung gained a huge market share, which further created a global presence (Kotabe and Helsen, 2019).

Diversification: Diversification has formed the basis of Samsung strategy where the company has managed to minimize its dependence to smartphone market. Other than mobile phones, Samsung has ventured into the field of television manufacturing, household appliances, and semiconductor market. Samsung has a more diverse product range, thus removing the risks linked to changes in the market within a single sector and has established itself as a technology conglomerate (Huang & Benyoucef, 2017).

Examples of Organizations that are followers.

Samsung had several strategies that can be described as market penetration and product development because Samsung was a follower in the market of smartphones. The speed at which it introduced smartphones that are comparable to Apple iPhone phones enabled it to control the smart phone industry, where its Galaxy series competes with Apple. Product differentiation, especially Samsung OLED displays and foldable screen technology, have enabled Samsung to become unique compared to pioneers as each display has distinctive features that most consumers would desire to have.

4. Conclusion

To sum it up, the research presented in this report has revealed the importance of the macro marketing environment and its effect on strategic decision-making is crucial. Using the PESTEL framework, it was indicated that external forces like political, economic and technological forces will influence the dynamics in a market and shape business strategies. The case studies on successful and exemplary organisations such as Apple and founding organisations such as Samsung proved how strategic models such as the Growth Matrix by Ansoff can assist firms to react to such external forces. Innovation is frequently initiated by the pioneering firms whereas its followers follow suit, enhancing the products, and venturing into other markets. Strategic importance has been expressed through the fact that environmental scanning enables identification of opportunities and

risks that enable the businesses to compete. Organisations can also succeed in the long term by successfully addressing the changes occurring in macro environment. Finally, to ensure continuity in growth and competitive advantage, both pioneering and follower organisations need to continually analyse and make changes in accordance with the macro environment.

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