

# Components of the strategic management process essay



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The Marketing environment: key terms The Marketing Environment The actors and forces that affect a company's capability to operate effectively in providing products and services to its customers. 2. Macro environment micromanagement. The analysis of the five forces – political/legal, economic, ecological/physical, social/cultural and technological – is known as PEST analysis. 3. Micro environment The actors in the company's immediate environment that affects its capability to operate effectively in its chosen markets. Micromanagement Economic Micromanagement

Political/ legal Customers Suppliers Company Distributors Social/ cultural Competitors Technological Ecological/ Physical External marketing audit checklist The Macro environment Political and Legal Forces European Union-wide laws. – collusion. – abuse of market dominance. – state aid. National Laws – laws governing marketing practice – e. G. Advertising. – national bodies set up to investigate anticompetitive practice. Economic Forces 0 Economic Growth and Unemployment. 0 Interest and Exchange Rates. 0 Central and Eastern Europe. 0 China and India. 0 Russia and India

Household Structure. 0 Cultural Forces. – Subcultures. – Attitudes to Health. – Cash Rich – Time Poor Consumers. – Cultural Differences. – Consumerism. World Population Growth Innocent The Innocent brand has been remarkably successful, tapping into the healthy living lifestyle. It has extended its product line from smoothies to vegetable pots. Whitebait communicates its low sugar, low fat, high fiber attributes. WHITEBAIT Management styles in the European Union and the USA Individual Leadership France Belgium Portugal Luxembourg Ireland Greece Group USA Denmark Germany

Netherlands Italy Organic Systematic Organization Source: Mole, J. (1990)  
Mind Your Manners Technological Forces 0 Technological Breakthroughs. 0  
Marketing-based Technological Innovation. 0 Technological Exploitation.  
Copyright 2003 Prentice-Hall, Inc. 0 Customers 0 Competition 0 Distributors  
0 Suppliers The Porter model of competitive Industry structure Potential  
entrants Threat from new entrants Industry Bargaining competitors  
Bargaining Power Threat of substitute products Rivalry among existing firms  
Substitutes Buyers Competitor analysis 1 . Who are our competitors? 2.  
What are their strengths and weaknesses? Competitor 3. What are their  
strategic objectives and thrust? Analysis seeks to answer five 4. What are  
their strategies? 5. What are their response patterns? Identify competitors  
Product form Product substitutes Generics New entries Audit competitor 2.  
What are their strengths and capabilities Financial Technical Managerial  
Marketing assets Strengths and weaknesses 2. What are their strengths and  
Infer competitor objectives and strategic thrust Build Hold Harvest Growth  
directions  
Deduce competitor strategies Target segments Differential advantages  
Competitive scope Cost leadership Estimate competitor response patterns  
Complacent Hemmed-in Selective Unpredictable Competitor identification  
The competitive arena Product from competitors Technically similar products  
Product substitutes Technically dissimilar products Generic competitors  
Products that solve the problem or eliminate it in a dissimilar way Potential  
new entrants With technically similar products With technically dissimilar.