

4 questions



**ASSIGN
BUSTER**

Question In conducting a SWOT analysis, you have now reached the area of the macro external environment. Please discuss the nature and importance of the social and cultural elements in such environment.

The social elements is mostly concerned with the changes in attitudes of people with the change in other external factors such as technology, legal, political and other socio cultural factors. These social elements lead to a change in consumer's way of life leading to an increase in demand of products suitable for their rapidly changing lifestyles. For instance, the introduction of diet soft drinks offering low amounts of sugar is indicative of a social trend whereby consumers have increasingly become health conscious. These elements are crucial for any business and hence should be taken into account and business policies should be adapted according to such changes in lifestyle of people to sustain their competitive positioning in the industry. The businesses on the other hand should also take into consideration the implications of their products and develop them accordingly. For instance the increasing trend of environment protection and global warming has led to manufacturing of environmental friendly products such as Toyota's hybrid car – Prius.

Question #2 In conducting a SWOT analysis, you have now reached the area of the macro external environment. Please discuss the nature and importance of the political element in such environment.

Political elements such as government legislations in favor or against a particular goods / service can greatly influence the manufacturing and marketing of that product causing severe damage to its profitability. These political elements are likely to have more significant impact on industries which are highly dependent on governmental aids such as budgets and

subsidies. For instance, the Aerospace and Defense industries are highly influenced by defense budgets allocated by the government as well as the political relations between certain countries. This can affect the major players in the industry such as Boeing, EADS , Dassault Aviation etc.

Question #3 In conducting a SWOT analysis, you have now reached the area of the macro external environment. Please discuss the nature and importance of the technological element in such environment.

The advancement in technology brings about several changes in the marketing of products of a company. The various technological tools available offer different ways to approach the same needs and demands of the customers making the competition extremely fierce. Increased technological advancement also often leads to faster obsolescence of products. The demand for a particular technology is dictated by the markets and hence required to be adopted by companies providing such products in order to sustain their revenue flows. The sheer number of players available in the market would lead to customer switching and hence the companies resisting such technological change would be forced to exit the industry.

Question #4 In conducting a SWOT analysis, you have now reached the area of the macro external environment. Please discuss the nature and importance of the demographic element in such environment.

Demographic elements consists of a mix of composition of population at large such as age, sex, educational background, tastes, preferences, culture etc. These factors also play a crucial role in influencing the industry trades. The composition of population of the geographical area where the product is targeted or marketed by the businesses also has significant impact on the sale of goods and services offered. For instance, if the population consists of

a majority of people belonging to ethnic backgrounds, the products demanded by them would find wider markets, such as the demand for Asian foods in U. S and U. K where the concentration of Asian population is high is an example of significance of demographic elements in marketing of products and its impact on businesses.

REFERENCES

Kotler, P. Armstrong G. (2004), Principles of Marketing, Chapter 4. Analyzing the market environment, NJ, Prentice Hall.