



## The marketing environment

5 environmental influences...

...and how they affect your marketing

## Why should you consider your marketing environment?

No business or organisation exists in a bubble, isolated from the outside world. Those who ignore the changes in the outside world will soon find themselves falling behind.

Within your immediate marketing environment will be your suppliers, distributors and competitors. Depending on your relationship with some of these organisations, you may have some influence on them which will leave you better equipped to deal with any of their decisions that affect you.

Your wider marketing environment is external to your business and thus is something that you have no control, and probably very little influence, over. It is something that constantly changes. What this means, of course, is that you need an on-going process for monitoring important influences and assessing what response you need to make,

But by maintaining an awareness of what is going on in your marketing environment, you will be better placed to plan for any developments that will affect your business, rather than react when it could be too late.

Examination of the marketing environment will allow you to identify opportunities to move into new markets, to develop new products, and to introduce innovations. It will also allow you to spot any threats that are presented by new legislation or political shifts.

It is worth differentiating between a *trend* – a direction or sequence of events which has some durability – and a *fad* – which is short-lived, difficult to predict and unlikely to have any lasting significance. Trends, for example the increasing participation of women in workforce, have the power to shape the future.

Such an example shows how different influences can shape and be shaped by one trend. The social impact of women moving into the workforce has seen political reaction by government and the introduction of legislation relating to work-family balance in recognition that women nevertheless still hold the lion's share of family responsibilities.

There are a number of frameworks for checking that your analysis of the marketing environment; the principal elements are covered by the SLEPT framework.

## The 5 influences of the marketing environment

### **Social and Cultural**

Social and cultural influences refer to customers' taste and lifestyles and the way these affect their buying behaviour. It includes changes in fashion and style, as well as beliefs such as the move of interest in alternative therapies from the fringe to the mainstream. Demographic changes are also important; an ageing population is highly predictable but will have an impact on many areas of society.

### **Legal**

Legislation can affect your business in two main respects. There are laws affecting your trading relationship with customers such as legislation on consumer rights or health and safety. Under this umbrella, it is also worth considering codes of practice set by self-governing bodies such as the Committees of Advertising Practice. Legislation affecting your wider scope of operation, such as the industry sector you operate in.

### **Economic and Environmental**

The economic environment has obvious influences on your trading circumstances, affecting your customers' purchasing power, as well as your own. Green issues are also growing in importance, being reflected in social trends and increasing legislation.

### **Political**

Political influences can operate at local, national and international levels. UK businesses are increasingly affected by the supra-national influences of the European Union and recent admissions increasing the size of the EU will inevitably have a knock-on effect to all. Political influences might also include non-governmental, politically-motivated interest groups.

### **Technological**

Developments in technology can enable you to develop new products or services. It can allow existing products to be produced and existing services to be delivered more cheaply. It can enable you to serve your customers at their convenience; 24-hour internet banking is a boon to many. And it can provide new ways to communicate with your customers.

Clarity Marketing Ltd. provides marketing planning services to small and medium sized businesses. If you would like some help developing your marketing plan, contact us on 0115 964 8222 or [enquiries@clarity-in-communication.com](mailto:enquiries@clarity-in-communication.com).