

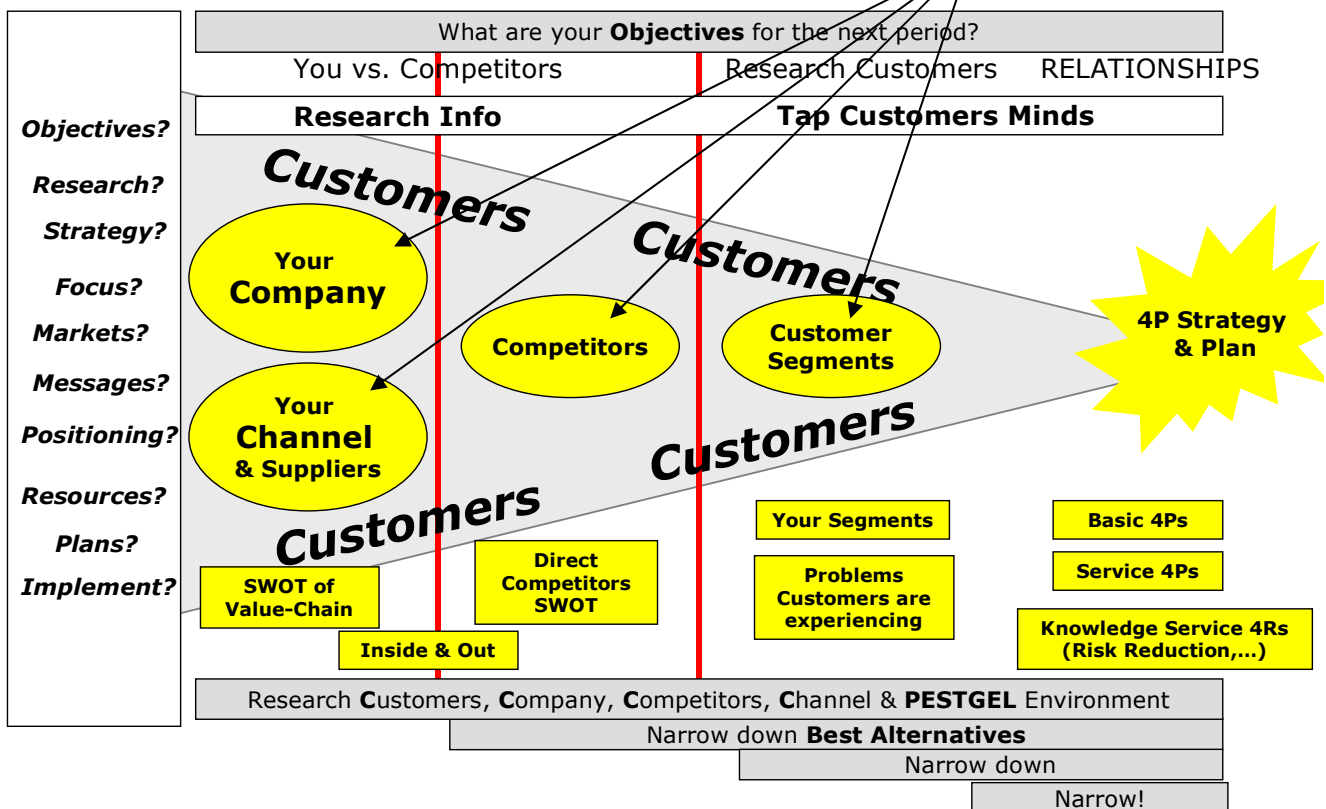


Researching your Marketing Environment

The lack of researching the Marketing Environment is one of the deadliest marketing sins. Before you can confidently rely on your strategic plan, researching your Micro & Macro landscape is imperative. The very definition of marketing is research, so research the 4Cs & PESTGEL to improve your performance.

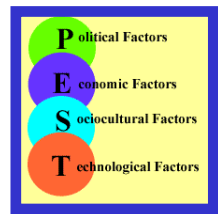
1. MICRO Controllable Environment: 4Cs

Strategy Funnel Effect (Spot the 4Cs)



Markitects Diagram: What pops out of the funnel on the right? Answer: The 4P Strategic Mix (**P**roduct, **P**rice, **P**lacement/Channel, and **P**romotion). However, you must first research your 4Cs to come up with the best 4P-Strategic Plan.

Note: The difference between your Strategy & Plan? The Plan has dedicated people with specific responsibilities and deadlines to implement the Strategy.



2. MACRO *Uncontrollable* Environment: **PESTGEL** Factors

Consider these 'uncontrollable' variables and how they impact on your 'controllable' 4-P Mix ... thus affecting your current competitive advantage. By researching your **PESTGEL Environment**, you can have alternative strategies planned for each 'pest' scenario. I.e. *"If the R/US\$ rate depreciates beyond R7/US\$, we will then..."*

Tip: The uncontrollable PEST Factors, in spite of the acronym 'pest', can in fact bolster and propel your company if exploited. Invest in researching 'pest'! Sales & Marketing Managers need to continuously research the shifting macro environment and actually become excited about the eminent prospect of implementing alternative strategies. Yes, you can tame the uncontrollable variable by choosing innovative strategies that will change the rules of the game for your competitors. Silently recite your new mantra – *'I love change and the possibilities it brings'*.

Political Factors: What is the Government's position on the recent flood of cheap Chinese imports, and/or legislation on unfair dumping? What are they doing to your business environment? What is your BEE plan?

Economic: How does the 'changing economic dragon' i.e. international interest rates, inflation and exchange rates affect your Pricing and Placement/Distribution? Will you become an exporter because of R/US\$?

Socio-cultural: Does your traditional psychographic segmentation still apply in SA? Can you tap-into the SA Black Diamond? Women are working. Women are literally wearing the pants now! I.e. in SA, 45% of new Jaguar cars are sold to black females.

Technological: Have you or your competitors exploited the latest software (i.e. SMS)? Toyota's new technology reduced their production costs by 40%!

Globalisation: Has China undercut your prices by 50%? Do your customers go to tender on the Internet? Have you considered using India for your call-centre? Are your sister companies your biggest competitors now?

Environmental/Ecological: The environmental impact of disposing your product (i.e. neon tubes) can put you in or out of business. Philips took the neon tube market by storm in the USA by making the first easy to dispose neon light. Global warming ... spring water is now easier to sell? How are you looking after your staff, society and the environment? What's your Corporate Social Responsibility programme (CSR Investment)?

Legal: What alternative strategies do you have in place if our Free Trade Agreement with the USA is withdrawn? How will the new SA King Commission affect your corporate governance? Will the WTO deregulation on 1st January 2008 force you to manufacture in China? Will the new Credit Act increase second-hand car sales, and destroy your new car business?

So if you're confused about what to discuss in your next meeting or strategy session, focus on your 4Cs & the PESTGEL Environment.

Enjoy!

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