



Chapter 3

Business Environment Analysis

Management Aspects

- Marketing Mix
- Human Resource Management
- Production and Operations
- Information Systems
- Management
- Finance
- Research and Development





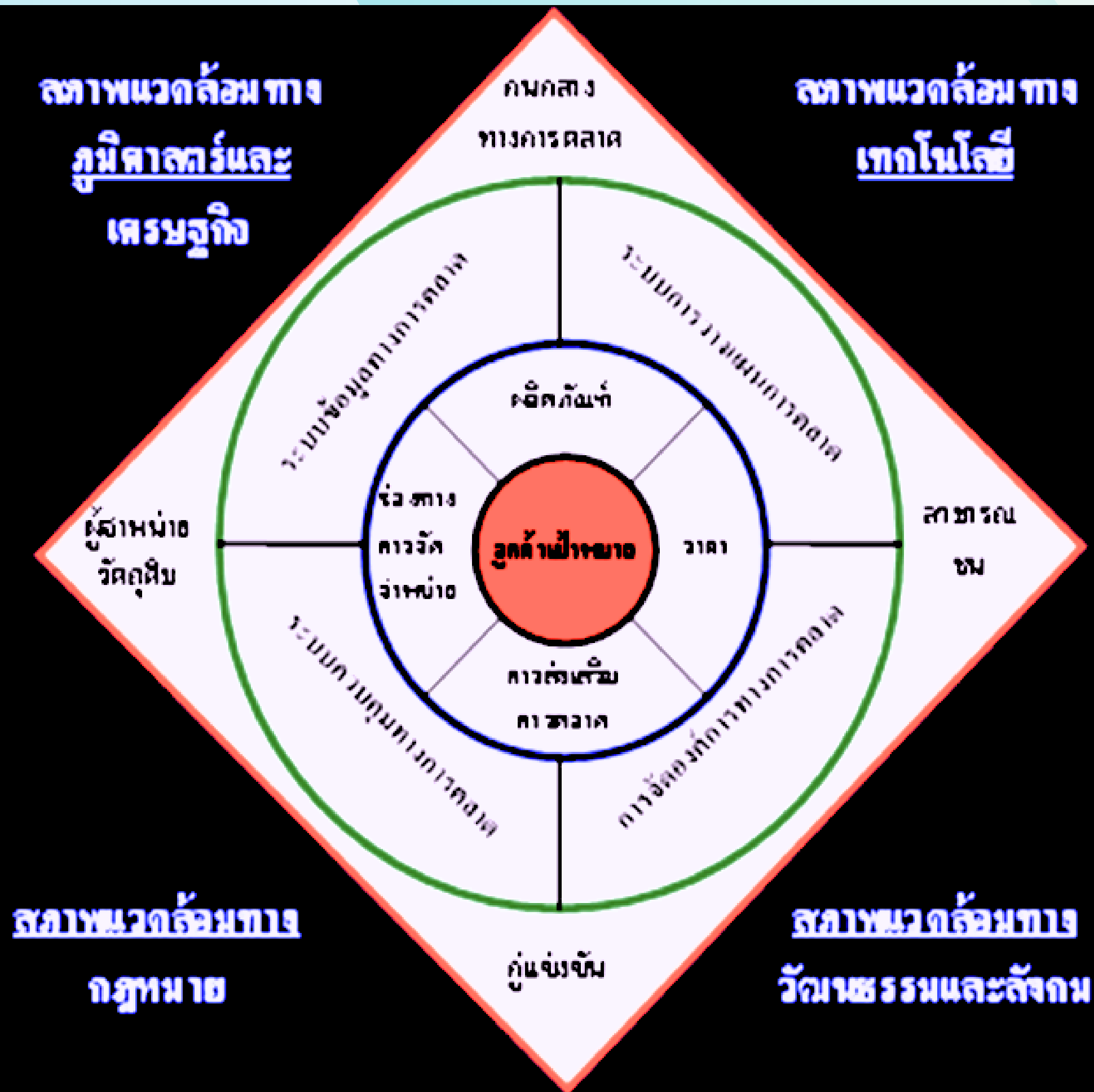
External Business Environment Analysis

- General Environment Analysis
- Industry Environment Analysis
- Competitor Analysis

Environment Factors

- Economic Environment
- Social and Cultural Environment
- Technological Environment
- Legal and Political Environment
- Demographic Environment







Key External Environment Aspects

1. Economic Environment

2. Social and Cultural Environment

(Attitudes, Values, Beliefs, Norms, Fashion, Lifestyles, Traditions)

3. Legal and Political Environment

(Government Policies, Business Regulations, Free Trade Agreements)

4. Technological Environment

(Innovation, Research and Development, Infrastructure)

5. Demographic Environment

(Population Size, Age Structure, Geographic Shifts, Birth Rate, Education)

Microenvironment Analysis



- Suppliers
- Customers
- Marketing Intermediaries
(Middlemen, Distributors, Service Providers)
- Government Agencies
- Competitors
- Government Agencies



Industry Environment Analysis (Porter's Five Forces Model)

1. Bargaining Power of Buyers

- Purchasing volume
- Access to product and supplier information
- Brand loyalty
- Buyer collaboration





2. Bargaining Power of Suppliers

- Number of suppliers
- Supplier collaboration
- Availability of raw materials



3. Threat of New Entrants

- Economies of scale
- Brand loyalty
- Capital requirements
- Access to distribution channels
- Government regulations



4. Threat of Substitute Products or Services

- Level of substitution
- Switching costs
- Price and quality comparison

5. Rivalry Among Existing Competitors

- Industry growth rate
- Brand differentiation
- Excess production capacity
- Exit barriers



Competitor Analysis



- Brand Competitors
(Direct competition in the same product category)
- Product Competitors
(Similar category but different features or price)
- Generic Competitors
(Different products solving the same problem)
- Total Budget Competitors
(Competing for customer spending)



Thank you