INDIAN SCHOOL AL WADI AL KABIR

Class: XI	Department: Commerce
Worksheet No: 1	Topic: Marketing Environment

Fill in the blanks:

1. Every company has local publics, such as_____ residents and community organizations. (**Neighbourhood**)

2. Large companies use_____ and other means to inform and motivate their internal publics. (**Newsletters**)

3. The business environment is multifaceted, complex, and _____ in nature. (**Dynamic**)

4. The buyer-supplier relationship is one of mutual _____ interdependence. (**Economic**)

5. External environmental factors _____ governed by the firm. (**cannot be**)

6. _____ provide raw materials, components and semi-finished goods to be used in production or even sell finished products of the organization. (**Suppliers**)

7. The process of collecting information about the external marketing environment is _____ (**environmental scanning**)

Select the correct option.

1. The nature of goods and services demanded in a society depends upon
A. Fashion trends.
B. people's attitudes, customs, socio-cultural values
C. Future expectations
D. Companies production.

2. The macro environment for business activity can be termed as
A. PEST
B. POSTER.
C. PESTER
D. POST

3. Advancement in technology lead to greater productivity, higher quality and _____ cost of production for the business.
A. lower
B. higher

C. Both
D. Equal

4. High rate of inflation and exchange rate _____business sentiment in a country.
A. Encourage
B. Promote
C. Boost
D. discourage

5. Exposure to western modern culture and population shifts from rural to urban areas are
A. Economic factors
B. Socio-cultural factors
C. Political factors
D. Demographic factors

6. The six dimensions usually considered to constitute the external marketing environment include all of the following except:
A. Political consideration
B. Global factors
C. Socio- cultural aspects
D. Economic issues.

7. In marketing strategy, the advertising and personal selling can be referred as _____
A. Place
B. Product
C. Price
D. Promotion

State whether the given statement is true or false:

1. The exchange process between the firm and its customers depends upon business decisions taken by the firm, and these decisions again, are affected by the marketing environment. **(True)**

2. If a company does not adapt to its environment, it would succeed in the long-run. **(False)**

3. Marketing environment, generally guarded by the management of a company, is called uncontrollable environment. **(False)**

4. Knowledge of environment changes provides intellectual stimulation to planners and decision-making authorities. **(True)**

5. Environmental analysis helps in identifying only business opportunities in the market. **(False)**

Answer the following questions:

1. Form the following examples identify the macro environmental factors.

a) The tax rate, exchange rate, foreign trade policy or industrial policy etc., all have tremendous impact on business decision making. (**Economic Forces**)

b) It refers to studying human population in terms of size, density, location, age, gender, race, literacy and occupation. (**Demographic forces**)

c) Control the environmental consequences of the product adopting green production processes and bio-degradable packaging. (**Natural or physical forces**)

d) Commercial and economic laws and government policies under the laws relating to licensing, monopolies, foreign investment, etc. (**Political and Legal forces**)

2. What do you understand by 'Environmental scanning? (**REF NOTES**)

3. 'The firm has to deal with the changes taking place 'within' it and 'around' it.' Discuss in detail.
   - **Internal**
   - **External**

4. Distinguish between micro environment and macro environment. (**REF NOTES**)

5. Naman and Govind after finishing their graduation under vocational stream decided to start their own travel agency which will book Rail Tickets and Air Tickets on commission basis. They also thought of providing tickets within ten minutes through the use of internet. They discussed the idea with their Professor Mr. Mehta who liked the idea and suggested them to first analyse the environment which consists of investors', competitors and other forces like social, political etc. that may affect their business directly or indirectly. He further told them about the technological improvements and shifts in consumer preferences that were taking place and hence they should be aware of the environmental trends and changes which may hinder their business performance. He emphasised on making plans keeping in mind the threat posed by the competitors, so that they can deal with the situation effectively. This alignment of business operations with the business environment will result in better performance.
   Identify and state the component of marketing environment highlighted in the above Para.
   – Technological force

6. With changes in the consumption habits of people, Neelesh, who was running a sweet shop, shifted to the chocolate business. On the eve of Diwali, he offered chocolates in attractive packages at reasonable prices. He anticipated huge demand and created a website chocolove. Com for taking orders online. He got a lot of orders online and earned huge profits by selling the chocolate.

Identify and explain the dimensions of macro environment discussed in the above case.

- **Socio-cultural factor**
- **Technological factor**

7. Identify the importance of environment scanning.

a) Maruti Udyog, which was the first company to identify a demand for small, economic cars in India in the 1980s.- **Determining Opportunities**

b) The proposal of Tata Motors to bring out a small economy car by 2008 was a warning signal for Maruti Suzuki to cut its costs or introduce economy models. - **Identification of Threats**

c) Leading companies like Reliance, Airtel, Tata Motors, Bajaj Auto and ITC have engaged the services of experts to monitor trends in the external environment. The inputs provided by the experts are used in making strategies. - **Formulation of Strategies and Policies**

d) Because of sensitivity to Indian consumer's requirements, LG was able to enhance its brand image in the Indian market in a short span of time. - **Image Building**

e) ITC Hotels foresaw bright opportunities in the travel and tourism industry and started building hotels in India and abroad.- **Basis of strategy**