

E3 – Clearly analyse the external influences affecting the development of the marketing strategy

External Influences

The customer: The customer has obvious influences on my marketing strategy such as buying behaviour this will include such things as the taste they like, the price they like and the size and shape of the can they prefer. But they also have other issues which can be addressed under 3 different heading:

1. Ethical issues – these are the morals that people live under in most societies. This is currently turning into a large issue for companies because of some companies exploiting these morals. These include such things as Child Labour (exploiting children in 3rd world countries), Employee Treatment (poor working conditions etc) and Product Development (non-genetically modified goods)
2. Environment issues – this is concerned with recyclable packaging and other factors like this. Burn will need to use aluminium cans so that they can be recycled so to keep the environment safe and clean.
3. Social Issues – this is involving the company with a world organisation such Green Peace and World Aid.

The industry: The actions of industry members need to be monitored by a number of independent bodies (Advertising Standards Authority (ASA) and Code of Advertising Practise Committee); they also need to subscribe to a code of practice (e.g. British Code of Advertising Practices) which will ensure that members behave ethically when marketing their products.

The ASA is responsible for the following:

- Press - national and regional newspaper
- Outdoor advertising - posters, transport, and aerial advertising.
- Direct marketing - including direct mail, leaflets, brochures etc.
- Screen promotions - including cinema screen commercials and advertisements via electronic means.
- Sales promotions - competitions, prize draws etc.

They will ensure that its member's advertisements comply with a set of standards to ensure that the advertisements are legal, decent, honest, and truthful.

The ASA does not actually have any legal influence over its members but if they break the ASA's standards they will face sanctions such as Refusal to offer advertising space, generate negative publicity through monthly reports on offenders, and withdraw privileges of membership.

The Chartered Institute of Marketing is comparable to the ASA in ways because they both have their own codes of practise to which members must abide. Both of these bodies exist because organisations will obtain a certain amount of prestige and trustworthiness (from the public) by being affiliated with these bodies.

Legal constraints: There are many acts that are in place to make sure that goods are advertised by organisations are sold in line with certain standards as directed within.

The Sale of Goods Act - This act ensures that goods provided are of 'merchantable quality'. That is, they are suitable for their intended purpose, for example drinks must ingredients and taste must match what they say they are.

The Trade Descriptions Act - Under this act goods must be described accurately when offered for sale, for example an energy drink must do the effects it says it will.

The Weights and Measures Act - This act ensures that consumers receive the actual quantity of good that are led to believe they are purchasing, for example if a drinks can says 250ml then there must be 250ml of the drink excluding the packaging unless stated.

The Food and Drugs Act - This requires companies to provide warnings and directions on their product so that food that is inadvertently consumed or given when it could be potentially harmful. This is currently very relevant for energy drinks due to death in the USA due to the consumption of an energy drink, for example a product which may contain peanuts will need to say this on the packaging.

The Broadcasting Act - This act is regulated by the Independent Television Commission. The Independent Television Commission (ITC) regulates the licensing of television commercials and undertakes to protect consumers interests. Their power comes from the Broadcasting Acts of 1990 and 1996 which allows the ITC to issue advertising licenses.

The Competition Act - this act has two main functions:

1. The investigation of matters referred to it by the Director General of Fair Trading, in regard to the existence of monopolies, mergers, and disputes.
2. Hear appeals made against decisions made under the Competition Act in relation to mergers etc.

The Office of Fair Trading - this is a government body which has been set up to ensure that anti-competitive behaviour is not allowed and that the interests of consumers and traders are protected. Even to the extent of recommending changes in laws where necessary to ensure a competitive and fair environment.