

## Chapter 2 – Analyzing the Current Situation

1. What clues about strengths and weaknesses might you find in a competitor's annual report to shareholders? Identify at least three specific types of information and explain how you would use such data in a competitive SWOT analysis.

*Sample answer: Students may identify a variety of types of information, including: revenues and profits (changes over time can indicate financial strength or weakness); markets served (reduction in markets served can indicate insufficient resources or changes in strategy that can be exploited); product lines and mix of products (multiple introductions may indicate strength in product development, whereas elimination of multiple products may indicate weaknesses in market share).*

2. Why do marketers need to understand business relationships (as part of the internal environment) when planning to address opportunities and threats in the external environment?

*Sample answer: Although business partners are not, strictly speaking, inside the organization, the relationships with these partners (including suppliers and resellers) are an important part of the internal environment. Often a company's ability to take advantage of an opportunity or defend against a threat depends, in large part, on the resources, products, staffing, or supply networks of its partners. If the company outsources certain functions (such as production), its marketing plan must take into account the capabilities and responsiveness of the partners that handle those functions. [Suggest that students refer to the discussion about alliances (in Chapter 1) for more about the importance of business relationships.]*

3. Do companies that market products only in their home countries need to be concerned with the political-legal environment in other parts of the world? Explain your answer.

*Sample answer: Such companies should monitor major political-legal developments in areas where their suppliers are located (or where their raw materials come from), to be prepared for changes that could affect their ability to obtain inputs. They should also be aware of political-legal movements that can potentially spread to other countries, such as increased regulation of environmentally sensitive activities. Finally, these companies should watch how political-legal trends elsewhere may be affecting other elements in the external environment that could eventually influence the home country.*

4. From a marketing perspective, what do you think a company can do to correct inaccurate perceptions of greenwashing if, in fact, its products are ecologically friendly?

*Sample answer: The company should be able to demonstrate, through tests or certification, that its products are truly green. Publishing the results of these tests and mentioning certification on product labels, on the brand's website and/or in the annual report, will help refute inaccurate perceptions. The company can also use social media to discuss and showcase the product's eco-friendly properties or enlist the assistance of influential opinion leaders in correcting misperceptions of greenwashing.*