

## Chapter 2 Review

### Build It – PEST Analysis

#### Part 1: Introduction

A marketing plan is an important roadmap for any business, large or small. Throughout your reading of *Principles of Marketing*, you will be challenged to create pieces of a marketing plan in the Build It simulation, culminating in a final written plan and presentation at the end of the book.

Your role in this simulation is to serve as the Marketing Manager for the multibillion-dollar athletic company **Live Athletics**. Throughout the development of your marketing plan, you will conduct market research, make critical advertising decisions, create a budget, and more.

There are two major parts to the project:

1. Written marketing plan
2. Presentation of marketing plan

Each Build It activity will guide you step-by-step as you walk in the shoes of a Marketing Manager in charge of developing a marketing plan for the company. To get started, review the Company Profile in Part 2 to learn more about the business you will be marketing. Then complete the activity in Part 3.

#### Part 2: Company Profile

Imagine that you are the Marketing Manager of the multibillion-dollar athletic footwear and apparel company Live Athletics. Since its launch decades ago, Live Athletics has grown to establish itself as a major player in the industry. It has developed a strong base of loyal customers, particularly recreational runners and amateur athletes, but wishes to expand its reputation even more. You are charged with designing a marketing plan to help the company better position itself and compete within the athletic marketplace. Review the company profile below, then complete Part 3 to develop a PEST analysis to be used in your marketing plan.

**Company Name:** Live Athletics

**Slogan:** “Sports for how you LIVE”

**Mission Statement:** “To motivate athletes of all skill levels to stay active, boost performance, and feel happy and healthy”

**Markets:** Athletic footwear (professional and recreational), apparel, equipment

**Current Market Share:** 42% athletic footwear, 10% apparel, 2% equipment/accessories

**Annual Revenue:** \$30 billion

**Annual Marketing Expenditures:** \$2 billion

**Number of Retail Stores:** 1,432

### Part 3: PEST Analysis

#### Overview

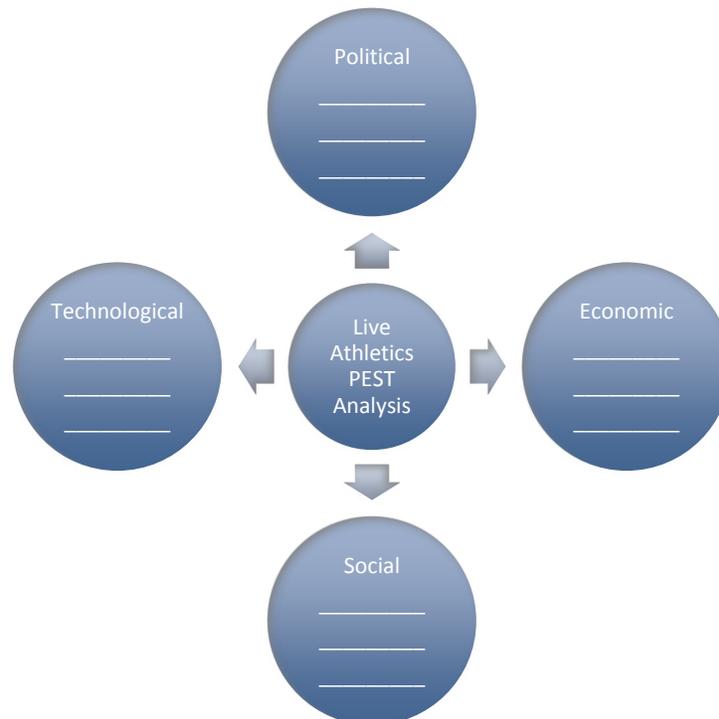
The first step of your marketing plan is to identify environmental factors that may impact Live Athletics. Studying the external influences that affect the company can help you determine which marketing strategies best align with what is occurring in the business landscape and the world at large later in your marketing plan.

#### Instructions

Conduct research online to investigate political, economic, social, and technological influences and record your ideas in the spaces below. Then summarize your findings in a paragraph of four to six sentences.

As you perform your PEST analysis, consider the following questions:

- **Political:** Are governmental factors currently friendly to business? Are there any trade restrictions or business laws that might impact Live Athletics?
- **Economic:** How healthy is the economy, both domestically and abroad? Do factors such as unemployment rate and the strength of the dollar indicate that consumers are prepared to spend money?
- **Social:** What statistical trends in society might influence Live Athletics? Is the population growing or shrinking? What social classes are most prevalent?
- **Technological:** How might changes in technology affect Live Athletics and its customers? Are there new technologies that might cause the company’s market to grow or shrink?



In the space below, summarize the findings of your PEST analysis in four to six sentences.