

**Marketing and the business environment**

Marketing involves identifying customers needs and requirements so that a marketing plan can be developed to meet these requirements. [Marketing techniques](#) are thus essentially concerned with identifying trends in the business environment that are likely to influence buyer behaviour, as well as examining the actions of competitors. One of the key components of [marketing](#) therefore is anticipating market needs and opportunities. In order to anticipate change, organisations need to have an antenna which is highly sensitive to changes taking place in the buying population - what is happening to the age structure of the population, to tastes and preference, to income, etc.

[Market research](#) is this antenna of an organisation. Marketing involves identifying what potential customers think, feel, want and need by asking them, either through large scale surveys (sometimes known as quantitative research) or through discussion groups and one-to-one interviews (sometimes known as qualitative research).

An organisation that has been particularly effective at anticipating market needs has been Virgin, which developed High Street record stores in the 1970's, cheap flights across the Atlantic during the 1980's, followed by contraceptives and Virgin Cola in the 1990's and more recently a range of financial services using direct selling by means of web based communications.

**External environment**

Another important way in which marketing scans the external environment is by keeping an eye on the actions of competitors in terms of new product and service developments. Of course, it is much better to lead the competition than to follow, but it is essential to make sure that your rivals are not gaining competitive advantage through developing a better marketing mix.

[Market research](#) provides an antenna that enables an organisation to keep in tune with the external marketing environment.