

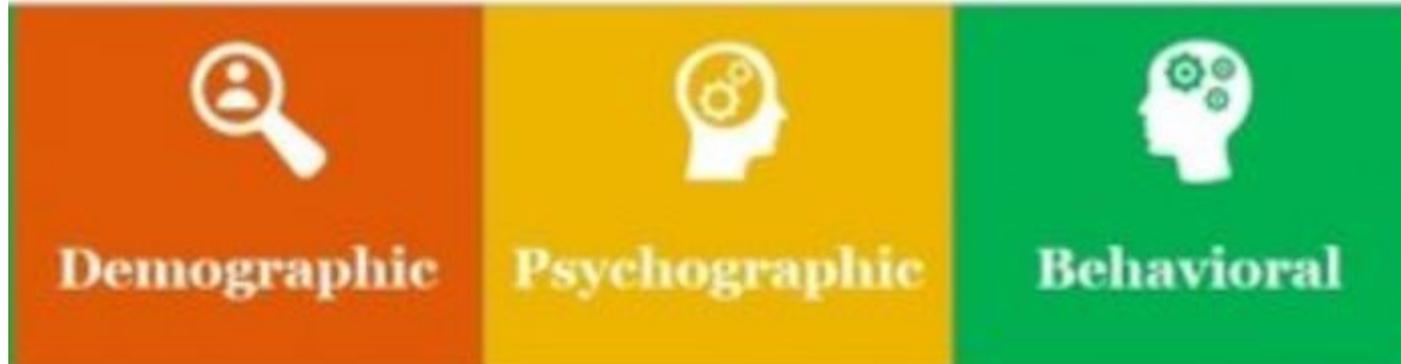


Social Opportunities and Threats

Sarah, Raj, Chase, and Jason

Introduction

- Social, cultural, and demographic factors all directly affect the activities of a business
- Values and attitudes of society towards various issues present both opportunities or threats for a business





Environment

- Social expectations for environmental protection has grown immensely in recent years
- Businesses often report the non-financial aspects of their operations
 - eg. Recycling and waste management
- One example of a business that has a high focus on the environmental side of production is Whole Foods
 - eg Whole Foods aim is to protect the people *and* the planet and they can use this **opportunity** to market towards people who support the environment
 - a potential **threat** for Whole Foods could be a new store that opens and also supports environmentally friendly practices



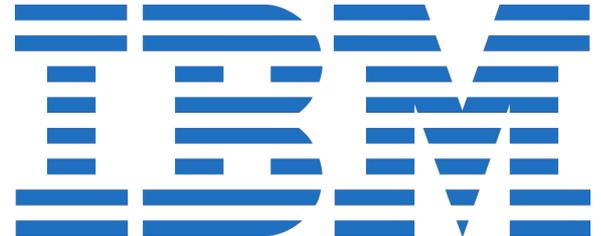
Women

-Businesses benefit from having a more flexible labor force, as social attitude towards women has become more liberal and modern in most societies

-ie women wages have risen and more workplace regulations have been put in place

-Since support for gender equality in workplace has risen, IBM has the **opportunity** to increase their public relations by emphasizing their support for working mothers

-A possible **threat** for IBM would be another tech company pushing their public relations in a similar manner



Migration



Migration and the increased awareness and acceptance of multiculturalism has created more choices for consumers

The noticeable example of this is food. An arrangement of different cultural foods are available in the take-out, sit-down, and cook your own food markets.

A more diverse population who is willing to eat and try new cultural products opens the doors for businesses and producers to participate in all aspects of the Ansoff matrix

This is a opportunity for all businesses who are willing to change and adapt to the new markets but it is a Threat to businesses who are not willing to change because they will miss out on entire markets where their competitors will dominate

A rising demographic of the asian population in sammamish has given asian restaurants the opportunity to make more revenue from more customers

Many restaurants that do not want to adopt any kind of asian cuisine will lose customers from that growing demographic

Social Pressure



Society can pressure businesses to act more ethical and socially responsible which can reduce revenue from higher costs

CSR (corporate social responsibility) is not cheap in the slightest because there is basically no ROI (return on investment). However, if businesses are getting socially pressured and do not change or do anything about their CSR then they could lose high amounts their sales and revenue stream

CSR and pressure can be an opportunity to set ones business apart from the others if you find cheap, reliable and desired forms of CSR but it can also be a threat which causes heavy changes in production or the sale of products which cost the business money, time, resources and even customers

Forever 21 was found to use child labor to produce their clothing which caused public outrage and contributed to their bankruptcy

Google however is seen as very socially responsible using 100% renewable energy and treating customers and employees extremely well. There is no public uproar and they are extremely successful

Demographic Changes



Demographic change is the measurable change in the characteristics of a population over time

Examples of demographic changes are aging of a population, an increase or decrease in population, dependency ratios, and religion shift

Changes can affect recruitment practices, marketing strategies, and the type of products

- An effect of an aging population is a shift from consumption of certain goods towards healthcare or leisure services
- An effect of an increase in population would be lower wages for employees

Language



It is difficult to translate marketing messages or communications across different languages and cultures, and language barriers can cause misunderstandings

The most common languages spoken are Mandarin, English, Spanish, and Hindi

Examples of misunderstandings:

- Mercedes-Benz entered the Chinese market under the brand name "Bensi," which means "rush to die"
- HSBC bank had the slogan "Assume Nothing" but in many countries it was translated to "Do nothing"

Singapore Airlines Case Study



- Singapore Airlines plans to move to move call centers to India
- Threat:
 - There may be a communication problems because of the language and culture difference
 - Moving call centers could delay customer service requests and lead to employee disconnect with the company
- Opportunity:
 - promote airlines in a new market, offering things like increased flights between Singapore and India
 - The wages of employees are usually lower in India



Kraft Case study

Kraft foods announces takeover of Cadbury

Opportunities: A society that eats more chocolate brings more money to kraft

Having a UK based company could get Krafts other products exposed to a new market and same with the UK business having a new market in the US

Threats: Was seen as a takeover and powerful move, not seen as very ethical so some people could protest kraft and Cadbury

Disney Case Study

-Disney set to open new theme park in Shanghai

-Opportunity: New area where Disney can generate revenue

-A new location will also cause a rise in interest in Disney-related merchandise, thus increasing the sales in other areas too

-Threat: Other companies that are already established in entertainment could cause Shanghai residents to prefer others rather than Disney





Virgin Atlantic Case Study

Virgin Atlantic plans to start daily flights to Nairobi Kenya

Opportunity:

- Another option for flights might attract new customers
- They could dominate the market with their competitive prices

Threats:

- BA and Kenya airways already have flights to Kenya
- Swahili is the main language in Kenya so there could be communication problems

EXAMPLE OF OPPORTUNITY



Starbucks Makes Global Commitment to Hire 10,000 Refugees by 2022

- “On January 27, 2017, President Trump signed an executive order that indefinitely suspends the of Syrian refugees, pauses the overall refugee resettlement program, and temporarily bars noncitizens from seven majority-Muslim nations from entering the United States”
 - <https://www.migrationpolicy.org/research/trump-executive-order-refugees-and-travel-ban-brief-review>
- Companies saw an opportunity to gain societal support and improve their CSR
 - One of the biggest companies was Starbucks
- Starbucks wants to lead the wave to hiring 10,000 refugees over the next 5 years
 - 2,500 in Western Europe and 1,000 in Canada
- They are also partnering with other companies like UNHCR’s #WithRefugees Campaign and the **Tent Partnership for Refugees**

<https://www.starbucks.com/responsibility/community/refugee-hiring>

EXAMPLE OF THREAT

- After the Deepwater Horizon Oil spill there were a lot of new standards that companies would be made to follow
- In places where companies would look for shortcuts to save money, they were now put under a heavy microscope

