

**USING ENVIRONMENTAL ANALYSIS IN THE FIELD OF MARKETING AND IN  
PSYCHOLOGICAL OPERATIONS****KÖRNYEZETELEMZÉS ALKALMAZÁSA A MARKETING ÉS A PSZICHOLÓGIAI MŰVELETEK  
TERÜLETÉN**

In the 21st century, every company and organization must function in a complex, compound environment. In order to be able to prosper the organization/company, needs to find those elements, which knowledge and manipulation, through adaptation can operate successfully on its territory. Be that civilian or even military sphere. Therefore, beside defining the target group, it is essential to know the environment, which in some part is given, in others it can be altered. The environment orientation is an important task of marketing, which is a continuous examination of the macro and micro environment. It can be successfully adapted by the psychological operations, thus facilitating the planning of an operation. The present article aims to define some useful aspects of the environmental analysis in the field of psychological operations.

A 21. században minden vállalatnak, illetve szervezetnek egy komplex, összetett környezetben kell működnie. Ahhoz, hogy ez a szervezet/vállalat boldogulni tudjon, meg kell találnia azokat az elemeket, melyek ismerete, manipulálása, ahhoz való alkalmazkodása révén sikeresen tud működni saját területén. Legyen az civil, vagy éppen katonai szféra. Éppen ezért a célcsoport meghatározása mellett elengedhetetlen ismerni a környezetet, melynek egy része adottság, másik része változtatható. A marketing egyik fontos feladata a piaci környezetorientáció, amely a makro és a mikrokörnyezet folyamatos vizsgálatát jelenti, valamint sikeresen adaptálható a pszichológiai műveletek által is, megkönnyítve ezzel egy-egy művelet tervezését. Jelenlegi cikkemben a környezetelemzés néhány hasznos vonatkozását szeretném definiálni a pszichológiai műveletek esetében.

**INTRODUCTION**

What can be analyzed in the marketing environment? A company's marketing environment includes all of the influences and forces inside and outside of the field of marketing which affects the marketing management's ability to build and maintain successful relationships with current and prospective customers.

In order to be successful psychological operations (PSYOPS) have to be cautious of the events which are taking place in the environment too. They have to define the characteristics of the battlefield that will influence friendly and adversary's operations. It makes a difference whether the operations are carried out in crisis, military operations other than war (e.g.: peacekeeping operations). The target group will react differently in each situation. Therefore it is important to analyze the environment of both fields which could not be manipulated, but in-depth knowledge of the operation can be more successful.

More than any other corporate department, marketing must be on the top of trend tracking and opportunity seeking. They must understand and know, how to use disciplined methods of marketing intelligence and marketing research to collect as much information as possible about the marketing environment. They must be willing and be able to learn continuously, spending as much time as possible absorbing information from their micro environment - that includes

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their customers and their competitors. In the psychological operations it includes both the enemy the target group as well.

For a company/military group to be successful, those responsible for marketing/psychological operations must be able to handle or to react to things that happen in their micro and macro environment.

Micro-level effects have a possibility to exert a more "immediate" effect on a company's marketing program, while macro-level influences in general have less prompt, more "long-term" consequences. [1: p.16] Many companies in the marketing view the macro environment as something "uncontrollable," to which they can only react. In the field of marketing and PSYOPS, the leadership should take preventive steps, attempting to use to their advantage what they know or can learn about the macro and micro environment. Thus, the outcome of the operation can become more successful.

#### MICRO – ENVIRONMENT ANALYSIS IN THE FIELD OF MARKETING AND PSYOPS

The micro-environment includes the immediate surroundings of the company that sets the company's market presence. The purpose of the internal environment analysis is to gather information that demonstrates the utmost importance of organizational resources and properties. The company/leadership will build on these information in order to develop their strategic position.

Analysis of the internal environment in marketing is most commonly done using SWOT analysis<sup>1</sup>. A simply, easy set-up model that is best suited to the process of making marketing plans. It shows the present that is the present solution, which is currently used in it, their strength, weakness as well as the opportunities and threats of the company. [2: p.94.]

It is a simple method, because it does not require weeks or months to learn, just the specific knowledge of the operation itself in marketing and in PSYOPS too. Another advantage is the flexibility. The model can also be suitable for those cases where extensive information - system (eg.: MIS<sup>2</sup>) is not available. The SWOT analysis provides the opportunity for a wide variety of quantitative and qualitative types of information of integrated summary. It also displays the already widely known information, as well as the newly acquired ones. The SWOT – analysis can formulated the weaknesses to strengths, exploit the opportunities so risks can be avoided. Therefore, its application can also be useful in the strategic planning of psychological operations. In the article I do not wish to analyze more deeply this method, instead I will concentrate on the vital factors of the internal environment.

The micro-environment analysis is also quite possible in the PSYOPS as well as in the marketing. The first chart shows that those who are the key players who have significant role in the military organization and in the company too. [1: p.17] [3: p.17-18; p.23-25; p.]

<sup>1</sup> SWOT – Strengths – Weaknesses – Opportunities – Threats.

<sup>2</sup> Marketing Information System

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In Marketing	In PSYOPS
<ul style="list-style-type: none"> <li>• Internal environment of the company (management, employee, etc.)</li> <li>• Buyers and customers</li> <li>• Competitors</li> <li>• Suppliers</li> <li>• The market intermediaries (wholesale, retail, etc.)</li> <li>• Supporting organizations (financial institutions, etc)</li> <li>• Logistical organizations (transporters, etc.)</li> <li>• Marketing organizations (market researcher, advertising consultant, etc.)</li> <li>• Informational organizations</li> <li>• Advocacy groups</li> <li>• The public opinion</li> </ul>	<ul style="list-style-type: none"> <li>• Internal environment of the army (soldiers, leadership, officer, etc.)</li> <li>• Civil population, local community</li> <li>• Opponent, enemy, hostile forces</li> <li>• Media, local media (television and radio station, newspapers, etc.)</li> <li>• Military organizations(NATO, etc.)</li> <li>• Intergovernmental organization (United Nations, European Union)</li> <li>• Military logistics (distribution, transport, logistic planners, etc.)</li> <li>• Other military organizations (CIMIC)</li> <li>• Informational organizatons (Communication and Information System, INFO OPS, etc.)</li> <li>• The public opinion (local community)</li> </ul>

Figure 1: Factors of micro-environment. Source: own editing, based on [1] and [3]

The figures show that both sides have enormous impact on the internal environment that surrounds the company and the military. The civilian side of the category contains the management and the employees, while the military aspects of the internal environment are the leadership, the soldiers and the officers. These are the actors that with their knowledge and ability as well as work ethic contribute to carrying out the operation. For the successful implementation of marketing and PSYOPS actions not only resources but also proper, skilled expertise (human resources) is required. An important element of the group of customers/civilian or local people, because of his behavior, attitudes, contributes greatly to the success of the proposed transaction. Primarily both the psychological operations and the marketing aims to get hold of these groups in order to achieve the objectives. These groups are closely related to the public opinion, which expresses its views, opinion, or judgment. Using a marketing phrase, "word of mouth", that is able to spread like wildfire in a local community to either negative or positive way and is almost impossible to influence.

I would also like to point out the various information organizations, which also have great importance on both sides. By collecting the information the processes will be known as well as the factors that shape it. In marketing there is a so-called Marketing Information System that is responsible for collecting information, including marketing research and market research, which collects information on a systematic basis. [4: p.2] Military information systems are called in NATO Communications and Information Systems<sup>3</sup>. [5: p.262] In both cases, the goal is gaining information superiority and maintaining that, which through the operational efficiency will be increased and the uncertainty factor will be significantly reduced. Other actors are also playing their part in influencing the internal environment of PSYOPS. Such as those organizations logistics and financial which are responsible for logistics and financial backups, that contribute more effectively to carry out the implementation of the operation.

<sup>3</sup> Communications and Information System (CIS) is called in many countries C4I (Command, Control, Communications, Computers and Intelligence).

It is important to be aware of the media, and local media capabilities, in fact the transmission of messages in both areas play an important role.

#### MACRO – ENVIRONMENT ANALYSIS IN THE FIELD OF MARKETING AND PSYOPS

The macro – level analysis presents many advantages for both fields. They will get to know themselves in the other nations' demographic, social, technological, etc. environment, thereby they will be able to develop the strategy in a more targeted, more accurate way.

An US Army PSYOPS doctrine (FM 33-1-1) deals in a separate chapter with the analysis of PSYOPS environment, which can determine the PSYOPS intelligence requirements, and moreover, provide the best possible framework to conduct accurate and exhaustive PSYOP-relevant analyses to support planning and operations [6: p.43 - 59].

So analyzing of the external environment - in both marketing and PSYOPS – has a number of benefits, which can be summarized as the following:

- Tracking environmental changes can predict the problems. It makes recognizable the possible future events, their impacts and promotes the exploitation of opportunities
- Increases the flexibility of the strategic planning process and decision-making.
- The quality of the change in forecast will be improved and identify the causes of changes in the behavior of the target group, enabling the management/leadership to follow-up the changing demands/needs.
- The planning of psychological operations and formulating marketing strategy provides the opportunity to develop an appropriate program in sensitive situations (political and social pressure, a war or crisis situation, etc.).
- It makes the international markets/areas prognostic and cognizable which opens the door for the company to exploit the market gaps, for the PSYOPS to manage the conflict more effective.

The full environmental analysis aims to help in assisting in the marketing planning and in the development of PSYOPS. The STEEP analysis is one of the most appropriate method for analyzing the external environment, which roughly would like to present for the two fields.

#### USING STEEP ANALYSIS FOR THE UNDERSTANDING OF MACRO –ENVIRONMENT

In relation to environmental factors, we can ask the following questions:

- Has the given factor impact on the marketing/PSYOPS?
- If the answer is yes, in which direction need to be change the marketing/PSYOPS action program?

The STEEP analysis is well used in marketing. It is a method to analyze the macro-environment of the company to determine which factors can influence its success.<sup>4</sup> [7] [8] The method models and plays a very important role in the companies' marketing strategy. The word itself, STEEP is an acronym as shown in Figure 2.

<sup>4</sup> This model is the updated, 'modern' version of the „PEST” which stand for: Political – Economical – Social – Technological analysis.

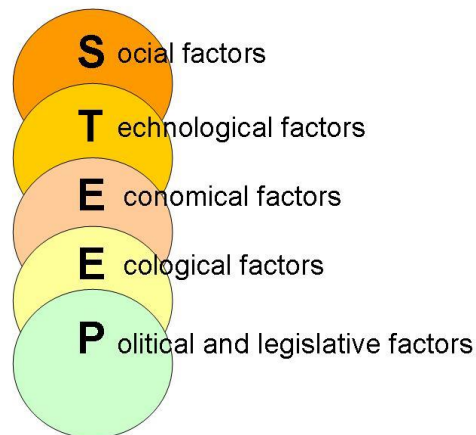


Figure 2: STEEP analysis. Source: own editing, based on [6]

In the following points you can find most of the important factors that mentioned above, which can determine the macro-economy environment and what can be predicted for the future in both field. Companies/leaderships/organizations usually have no influence on these factors, so they have to accept them and somehow try to adapt them while also trying to take great advantage of them.

#### IDENTIFY THE SOCIAL FACTORS

The social factors mainly have an important role to determine the target group. Therefore, it has a major role in creating the message, as well as in developing the whole program. It can be seen on the figure 3 below, that in both areas we have nearly common factors.

Social factors	
<p><b>In Marketing</b></p> <ul style="list-style-type: none"> <li>• Population, age, sex, marital status, ethnicity, educational level of the consumers</li> <li>• Profession, residence of the consumers</li> <li>• Habits of consumers</li> <li>• The extent of local migration/mobility</li> <li>• Social values, religions, traditions</li> <li>• Number of births</li> </ul>	<p><b>In PSYOPS</b></p> <ul style="list-style-type: none"> <li>• Groups, subgroups, social system, and society</li> <li>• Demographics and education</li> <li>• Attitudes, behavior, values, and beliefs</li> <li>• History and religion</li> <li>• Language, ethnicity, and culture</li> </ul>

Figure 3: Social factors in marketing and PSYOPS. Source: own editing, based on [6] and [7]

For example, this includes the monitoring of cultural changes as well, which significance is unquestionable in terms of success of the operation. The learned beliefs, values and norms sum of the bottom line of a given society, which strongly influence and guide the behavior of the target audience in both fields. This analysis provides the best way to identify how the consumers/target audience learned and shared attitudes, values, and behavior. [9: p.17]

History is a vital part of the target group reactions to certain events that may provide a basis for predicting similar behavioral responses in similar situation. Patterns of behavior may be perceived through events in a culture's past, helping to predict how the target group or in marketing the consumers will react to various actions of a force or PSYOPS or marketing products. [6: p.3-7]

#### IDENTIFY THE TECHNOLOGICAL FACTORS

The various technological factors (Figure 4.) have a great importance too, which play a role mainly in the way how the target group receive the message.

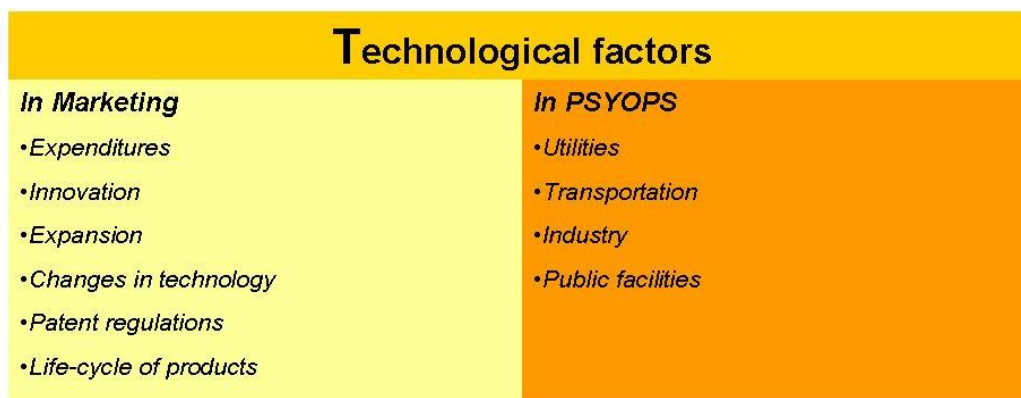


Figure 4: Technological factors. Source: own editing, based on [6] and [7]

A company's point of view an important question is how the growth and innovation of a specific destination, because they extend or cut down a product's life cycle.

There are many areas where they do not have the required level of technical development for the transmission of messages, such as they cannot take advantage of any opportunities given to marketing on the Internet, nor the PSYOPS. However, traditional methods of marketing can be achieved, for example: flyers, and face to face communication, or the presence of disorientation.

#### IDENTIFY THE ECONOMICAL FACTORS

The economic factors (Figure 5) on the marketing side take form in taxes, inflation, savings, investments, etc., which affects partly the target group of PSYOPS as well.



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Economical factors	
<b><i>In Marketing</i></b> <ul style="list-style-type: none"> <li>• <i>Extent of economical growth</i></li> <li>• <i>Inflation</i></li> <li>• <i>Income of the consumers</i></li> <li>• <i>Taxes</i></li> <li>• <i>Subsidies</i></li> <li>• <i>Savings</i></li> <li>• <i>Rate of unemployment</i></li> <li>• <i>Rate of investments</i></li> <li>• <i>Price of energy</i></li> </ul>	<b><i>In PSYOPS</i></b> <ul style="list-style-type: none"> <li>• <i>Production</i></li> <li>• <i>Distribution</i></li> <li>• <i>Consumption</i></li> </ul>

Figure 5: Economical factorst. Source: own editing, based on [2], [6] and [7]

They influence the quality of life, thus limiting the possibility of satisfaction of the needs as well. That is why a target group analysis is essential economically in both areas. Furthermore, monitoring the press and publications for tracking trends. [6: p.9-10] I would like to emphasize the distribution of PSYOPS, where the key issues can be the cross-country mobility, the transportation systems (road and bridge information), the distribution type (aerial, terrestrial, etc.) and obstacles which interfere or ensure the mission success. [6: p.3-15] Economic factors are important to PSYOP specialists to better understand the strength of competing groups in a society.

Both PSYOP officers and the marketing mananagers must be able to determine and understand the general regional economical perspectives on a broad range of issues to judge their effect on future programs within the area. Regional perspectives focus on those factors that more immediately threaten local stability. For example: rate of unemployment, or the price of the energy and general the production. [6: p.3-10]

### **IDENTIFY THE ECOLOGICAL FACTORS**

The ecological factors also influence the efficiency of each areas, as you can see on Figure 6.

Ecological factors	
<b><i>In Marketing</i></b> <ul style="list-style-type: none"> <li>• <i>Natural resources</i></li> <li>• <i>The price to exploit these resources</i></li> <li>• <i>Pollution</i></li> <li>• <i>Protecting the environment</i></li> <li>• <i>Environmental regulations</i></li> </ul>	<b><i>In PSYOPS</i></b> <ul style="list-style-type: none"> <li>• <i>Geography</i></li> <li>• <i>Weather (Describe effects, that will influence PSYOPS and propaganda.)</i></li> </ul>

Figure 6: Ecological factors. Source: own editing, based on [2], [6] and [7]

The marketing side is obstructed by the environmental regulations that protect the local conditions while on the military side these factors can impede the delivery of messages. There will be no certainty, if the weather and geographical conditions allow the target group to be approached. [10: p.89] Therefore it is important to determine the effects, which can influence the receiving of the message. For example: the environment protection, pollution, and natural resources. For PSYOPS this includes the monitoring of weather reports, as well as the terrain survey. Weather and climate can play

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a vital part in the development of a PSYOPS mission. Particularly, weather and climate affect PSYOP media and dissemination operations. For example, flooding can interfere with food and medicine distribution. The effects of weather and climate can be integrated with terrain analysis. [6: p.3-15] [11: p.3-11]

#### IDENTIFY THE POLITICAL FACTORS

The rules and the regulations can strongly limit the scope of operations. Themes, messages and products can be derived from knowing the degree of government legitimacy and the sources of that legitimacy.

This issue is particularly sensitive in the military side, because a wrong step can lead to completely negative consequences. The following figure shows the influencing factors of political environment, which knowledge is essential for the successful operation.

Political and legislative factors	
<b>In Marketing</b> <ul style="list-style-type: none"> <li>• <i>Political stability</i></li> <li>• <i>The political system</i></li> <li>• <i>Competition laws</i></li> <li>• <i>Tax policies</i></li> <li>• <i>Price and financial regulations</i></li> <li>• <i>Regulation of export and import</i></li> <li>• <i>Consumer protection</i></li> <li>• <i>Protection of markets</i></li> <li>• <i>Trade unions</i></li> </ul>	<b>In PSYOPS</b> <ul style="list-style-type: none"> <li>• <i>Leadership</i></li> <li>• <i>Organizations</i></li> <li>• <i>Political system</i></li> <li>• <i>Legal system</i></li> <li>• <i>Political climate</i></li> </ul>

Figure 7: Political and legislative factors. Source: own editing, based on [2], [6] and [7]

In PSYOPS “the Leadership factor” addresses the behavior of leaders and how they use motives, purposes, and resources to mobilize other people to realize goals independently or mutually held by both leaders and followers. [6: p.3-9] For PSYOPS specialists, influencing the leaders can be a key step in affecting the behavior of a target group. Identifying key communicators and leaders, both formal and informal, is a critical task for PSYOPS and marketing too. It is important for PSYOPS planners to determine the military’s role in a specified society, and how the government and its people view the military.

In marketing it is important to highlight protection of the market and trade agreements and unions, which strongly limits the possibility of distribution of product.

Of course, analysis and evaluation of each factor requires serious planning, which involves a lot of work and investment of resources. However, as the factors identified above, each element has a major influence on the outcome of the operation, so it is important to analyse every possible situation, as the subsequent operational efficiency can be seriously affected.



## CONCLUSION

What can the firm/military use and do to determine the impact of these factors?

First of all they can use predictions which can be based on previous trends and analysis. With analyzing trends it can be determined how will the number of consumers change, or how will the hierarchy of needs change<sup>5</sup>.

In my opinion it is necessary to understand the motivation of various target audiences (leaders, military forces, populations) in order to shape their perceptions, affect their will and to persuade them to accept the outcome desired by military forces. Lifestyle analysis of consumers and target audience define what they prefer or how will react to something.

Analyzing the resources of the company and military itself or determining the capabilities may help how the military/company can achieve further success or what will and can do.

Using the results of the micro -, and macro – environment analysis (STEEP analysis) to create scenarios to predict the possible impact of these factors can help to achieve the PSYOPS and marketing goals.

Scenarios, media analysis, general opinion research, environmental monitoring, polls study can serve as useful information in order to reduce the micro-and macro-environmental influences and knowledge.

As you can see on Figure 8 after the analysis the specialists can determine the objectives and formulate the strategic responses to environmental challenges.

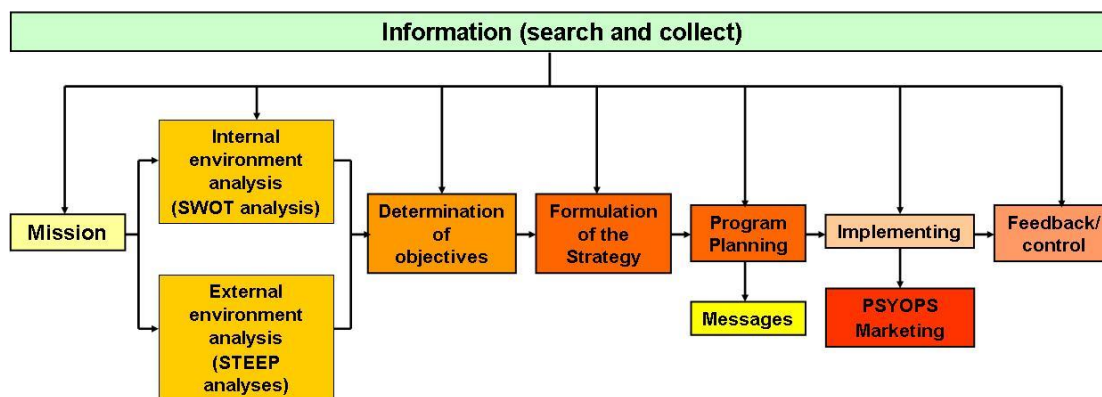


Figure 8: The process of PSYOPS and marketing strategy. Source: own editing, based on [2: p.94] and [12: p.1-10]

The formulation of the strategy is followed by program planning where the themes of messages will be developed. The next step is implementing that, according to the marketing and PSYOPS specialties. Then the feedback with the future operations can also become more efficient. As shown, in the entire PSYOPS and marketing process has a great importance of the environment analysis, which may mean better execution of the current operation, exploration of new approaches, as well as to prepare for the launch of the new phenomena. The impact of PSYOPS should be evaluated continuously for relevance and effectiveness to the mission and to allied goals, with adjustments made to PSYOPS activities when necessary.

<sup>5</sup> Reference to Maslow's theory of hierarchy, where determines five levels of needs.

*Kulcsszavak: Pszichológia műveletek, marketing, környezetelemzés, STEEP analízis*

*Keywords: Psychological operations, marketing, environment analysis, STEEP analysis*

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