

B1 Environmental spheres – Solutions

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Individual solution. Suggestions:

Changing age structure:	Appeal to the older segment of the population as an important target group for marketing activities, special offers for senior citizens — for example, group travel
Working parents:	Align opening times to workers
Better quality of life:	Promote sustainable travel; offer shuttle service to the airport
Saving time:	Expand online services: allow online bookings, digitize vacation catalogs, and publish audio and video materials about various deals on the homepage so customers can inform themselves
Trend toward the new:	Specialize in little-traveled holiday destinations (e.g., Alaska, Antarctica); post podcasts on holiday regions on the website; create a discussion forum where customers can share their experiences; newsletter about new offers

2

Individual solution. Suggestions:

Peugeot

- Develop environmentally friendly technologies
 - Research into alternative fuels
 - Recycling of used vehicles
 - Reforestation in the Amazon
 - Develop innovative solutions to reduce fuel consumption and CO2 emissions
- Source: www.peugeot.ch

smart

- Hybrid powertrain technology
 - Electric vehicles projects
 - Vehicles with low fuel consumption
 - Use of innovative techniques and materials
 - Recycling of used vehicles
 - Use of environmentally friendly building materials for the construction of factory buildings
- Source: www.smart.com

Comparison

- Strong commitment from both carmakers in the field of technology
- Peugeot also supports environmental projects
- Smart promotes sustainability in building construction

3**a**

For the small travel agent that is only active locally, online shopping creates more risks than opportunities. In today's travel industry, more and more vacations are booked on online platforms. Big chains such as Tui Travel have already adapted to this trend and now offer online reservations; however, this presents a major challenge for small travel agencies such as Scorpio. The construction of such electronic platforms requires the commitment of significant financial resources (high fixed costs).

b

Zara has effectively used the technological revolution of the Internet and the related emergence of online store. The fashion enterprise has already been doing business in international markets for many years. With the establishment of online stores on almost every continent, the enterprise has been able to successfully implement its expansion strategy and well cover even remote areas.

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a A leading global supplier is highly dependent on the international economy. When global markets face a downturn (recession), the sale of products becomes much more difficult. Therefore, in a global recession, Rieter must reckon with declining production orders. Under such circumstances, management must consider layoffs in order to secure the existence of the enterprise.

b Diamonds are luxury goods that are very sensitive to economic cycles. A jeweler on the Zurich's Bahnhofstrasse would have a very international clientele, so it must reckon with declining sales in a global recession.

c The demand for nursing home places is not a question of the economic situation. The Köniztal retirement home is therefore not likely to be greatly affected by the global recession.

5**Environmental sphere: Society**

Example: working time model at Swisscom

Swisscom offers its employees various working time models. Among other things, employees are offered the possibility of flexible working hours, where they can tailor their working hours according to individual requirements. In addition, telecommuting allows employees to occasionally work from home, sparing them the commute and letting them set their schedule. Another possibility is annual working time where the times they should be working is calculated, not on the working week, but over the course of a year. This allows employees to arrange flexible daily, weekly or monthly working hours, allowing them to work when works best for them while still earning a steady income.

Source: www.swisscom.ch

Environmental sphere: Technology

Swisscom offers its customers services from the Triple Play Portfolio (TV, data and telephone): With Swisscom TV, customers benefit from a wave of innovation in television. Thanks to the digital video recorder with 200 hours of hard-drive memory, television becomes much more attractive than the conventional cable connection: Viewers can set up their own plan, for example over the Internet. With a broad range of multimedia services, Swisscom aims to revolutionize the Swiss communications and media world over the long term.

Environmental sphere: Nature

Example: Environmental responsibility at Swisscom

The enterprise is committed to the following points, among others: We aim to minimize environmental risks while also meeting all regulatory requirements. We target potential ways to improve the environment in operations, thus continuously improving the environmental performance of the company. In addition, Swisscom actively supports suppliers and contractors in the promotion of environmentally friendly products and is committed to the development, implementation and marketing of environmentally friendly services.

Environmental sphere: Economy

Example: monopoly position in the market

Monopoly or competition at Swisscom?

In March 2006, Swisscom's monopoly on the last mile was broken. The Swiss Parliament ruled at the time that Swisscom must make the broadband connection over its copper cables available to its competitors for four years. In this way, Swisscom came into competition with other providers.

Example: Pricing trends in the market

Price pressure affects Swisscom

Swisscom was barely able to keep its sales flat in the past year [2006], but earned significantly less. It faced fierce price competition and government price regulation. (...)

Market leader Swisscom has, in the last year, again gained customers in the crucial core areas of broadband Internet and mobile telephony. This, however, could not compensate for the effects of price pressures. (...)

Swisscom again recorded the strongest customer growth in its broadband business. The number of ADSL connections jumped by a quarter to 1.37 million. Around two-thirds came to the Swisscom Internet brand Bluewin, with the rest is sold to third-party vendors such as Tele2 and Sunrise. The increase in customers in the mobile phone division amounted to about 8%. However, sales declined by 3.5% to around CHF 4.02 billion, largely due to price reductions.

Landline customers continue to migrate to the cable network operator Cablecom or give up their regular phones in favor of mobile. The number of landlines fell by 2% to 3.75 million while sales in the landline business decreased by 6% to just under 4.99 billion CHF. (...)

Source: Schürpf, T. (2007, 13. March). Preisdruck setzt der Swisscom zu. Gewinn sinkt 2006 um über 20 Prozent. *Neue Züricher Zeitung*.

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Environmental sphere society

Sociological aspects: Americans are the “shopping-center nation” of the world. The trip to the mall is almost a ritual that cannot be replaced by shopping online.
 On the other hand, Americans are known for their desire for convenience. Online stores, where you can just order from home, are therefore certainly quite welcome.
 Political aspects: Political unrest and other political influences are unlikely to be an issue in America.
 Legal aspects: America has a different legal system, which means that other legal bases for online retail must be considered when pursuing an expansion strategy.

Environmental sphere nature

The topic of the environment and environmental protection is also present in America, though not nearly to the same extent as in Europe. By shipping products directly to consumers, individuals can reduce the number of trips they make by car.

Environmental sphere technology

America is one of the most technologically advanced countries in the world. The infrastructure needed for the maintenance and use of an online store platform is certainly to be found. The percentage of the population that uses had computers is very good. This allows customers to shop from anywhere, at any time.

Environmental sphere economy

The environmental sphere economy is, for various reasons, central for a possible expansion of Zalando. On the one hand, many households in America already face heavy debts, which can lead to limited purchasing power in the coming years. On the other hand, Zalando must establish its brand and set itself apart from the large number of competitors that exist in the field of low-cost suppliers.

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Individual solution.