



Meaning and relevance of marketing environment: Analytical study

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Abstract

Marketing activities are influenced by several factors inside and outside a business firm. These factors or forces influencing marketing decision making are collectively called marketing environment. It comprises all those factors which have an impact on market and marketing efforts of the enterprise. According to Philip Kotler, Marketing environment refers to “external factors and forces that affect the company’s ability to develop and maintain successful transaction and relationships with its target customers. For example, the relevant environment to a car tyre manufacture may be the car manufacturing technology, the tax structure, imports and export regulation, the distributors, dealers, competitors etc.

Keywords: Marketing, enterprise, transaction, influence, competitors

Introduction

Marketing functions are to be carried out in a given environment. Even the marketing opportunity has to be scanned and identified by carefully observing the environment. The marketing mix is also decided in the context of a given marketing environment. Though marketing managers cannot control the forces in a marketing environment, they must take them into account when making marketing decisions. While formulating the marketing strategies, the marketers must closely observe the environment in which they are functioning. You will also study how various acts and status influence the marketing decision in India.

The external marketing environment may be broadly divided into two parts:

1. Micro Environment
2. Macro Environment

Micro Environment: Micro Environment refers to the company’s immediate environment, that is, those environmental factors that are in its proximity. They include the company’s own capabilities to produce and serve the consumers needs, the dealers and distributors, the competitors and the customers. These are also the groups of people who affect the company’s prospects directly.

Macro Environment: Macro Environment which are external forces in the company activities and do not concern the immediate environment. Macro environment are uncontrollable factors which indirectly affect the concern’s ability to operate in the market effectively.

These include demographic, economic, natural, technological, political and cultural forces. The influence of these factors are indirect and often take time to reach the company.

Micro Environment

Micro Environment factors which influence the marketing decisions of the company are:

1. Organisation’s internal environment
- 2) Suppliers
- 3) Marketing Intermediaries
- 4) Competitors and
- 5) Consumers.

Let us now study about each of these factors briefly.

Organisation’s Internal Environment

Organisation’s financial, production and human resource capabilities influence its marketing decisions to a large extent. For instance, while deciding about the sales targets, it is necessary to see whether the existing production facilities are enough to produce the additional quantities or not. You may have a responsive research and development department to develop a new product.

It is also necessary to consider how marketing departments in organization cooperative with the marketing department. Sometimes it is the sale product force that must bear the major task in the strategy.

Suppliers

For production of good or services, you require a variety of inputs. The individuals or firms who supply such inputs are called suppliers. Success of the marketing organization depends upon the smooth and continuous supply of inputs in required quantities on reasonable terms. Hence suppliers assume importance. The timely supplies of specified quality and quantity makes the produces to keep up the delivery schedule and the quality of final product.

Intermediaries

Normally, it is not possible for all the producers to sell their goods or services directly to the consumers. Producers case the services of a number of intermediaries to move their products to the consumers. The dealers and distributors, in other words the marketing intermediaries, may or may not be willing to extend their cooperations.

These persons normally prefer well-established brands. Newcomers may find it extremely difficult to find a willing dealer to stock his goods.

Competitors: Competitors pose competition, Competitors strategies also effect the marketing decisions. Apart from competition on the price factor there are other forms of competition like production differentiation. They are also competitors who use brand name, dealer network or close substitute products as the focal point. Their advertising may present several real or false attributes of their product.

Customers

There are many type of customers. A firm may be selling directly to the ultimate users, the resellers, the industries, the Government or international buyers. It may be selling to any one or all of these customers. Each type of consumer market has certain unique characteristics and the market should be fully acquainted with the art of persuading and selling to the consumers. The Environment presented by customer profile will have a direct influence on these marketing activities.

Macro Environment: The macro environmental factors that expert influent on an organisation's marketing system are: 1. Physical Environment 2. Technological Environment 3. Political and Legal Environment 4. Economic Environment 5. Demographic Environment 6. Social Cultural Environment.

Let us discuss about these factors in a little more detail.

Physical Environment

The earth's natural renewable resources (eg. Foret, food products from agriculture etc.) and finite non-renewable resources (eg. Oil, coal, minerals etc.), whether (Climatic) Conditions, Landscapes and water resources are components of an environment which quite often change the level and type of resources available to a marketers for his production.

Technological Environment

Technology is shaping the destiny of the people the revolution in computers, electronics and communication in general may make one's production out of tune with the current products and services. For example, new printing technology like laser printing and desktop publishing has already made the labour, intensive type set printing uneconomical.

Political and Legal Environment

Political changes bring in new policies and laws relevant to industry. Many areas of business are brought under one law or the other, and the marketer cannot escape from the influence of these laws. So also the policies relating to imports and exports. imkprot and exports.

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Economic Environment

Under economic environment, a marketing manager generally studies the following factors and trends:

1. Trends in gross national product and real income growth.
2. Pattern of income distribution.
3. Variations in geographical income distribution and its trends.
4. Expenditure pattern and trends.
5. Borrowing pattern, trends and governmental and legal restriction.

Demographic Environment

Marketers are keenly interested in the demographic characteristics such as the size of the population its geographical distribution, density, mobility trends, age distribution, birth rate, death rate, the religious composition etc.

Socio-Cultural Environment

There are core cultural values which are found stable and deep rooted, and hence change very little. There are also secondary cultural values which are susceptible to fast change. Some of them like hair styles, clothing etc. Just fade.

Conclusions

These environmental factors may be classified as micro environment and macro environment refers to the companies immedial environment, that is, those environmental factos that are in its closer circle. They include the company's own capabilities to produce and serve and the consumer needs, the deals and distributors, the competitors and the customer.

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