

Chapter 1 : International Marketing Environment (With Diagram)

The marketing environment of a business consists of an internal and an external environment. The internal environment is company specific and includes owners, workers, machines, materials etc. The external environment is further divided into two components: micro & macro.

Materials Markets The internal environment is under the control of the marketer and can be changed with the changing external environment. Nevertheless, the internal marketing environment is as important for the business as the external marketing environment. This environment includes the sales department, marketing department, the manufacturing unit, the human resource department, etc. **External Environment** The external environment constitutes factors and forces which are external to the business and on which the marketer has little or no control. The external environment is of two types: **Micro Environment** The micro component of the external environment is also known as the task environment. It comprises of external forces and factors that are directly related to the business. Market intermediaries include parties involved in distributing the product or service of the organisation. **Macro Environment** The macro component of the marketing environment is also known as the broad environment. The macro environment can be divided into 6 parts. **Demographic Environment** The demographic environment is made up of the people who constitute the market. These factors include the GDP, GNP, interest rates, inflation, income distribution, government funding and subsidies, and other major economic variables. **Physical Environment** The physical environment includes the natural environment in which the business operates. This includes the climatic conditions, environmental change, accessibility to water and raw materials, natural disasters, pollution etc. **Technological Environment** The technological environment constitutes innovation, research and development in technology, technological alternatives, innovation inducements also technological barriers to smooth operation. Technology is one of the biggest sources of threats and opportunities for the organisation and it is very dynamic. **Social-Cultural Environment** The social-cultural aspect of the macro environment is made up of the lifestyle, values, culture, prejudice and beliefs of the people. This differs in different regions. **Importance of Marketing Environment** Every business, no matter how big or small, operates within the marketing environment. The business environment is one of the most dynamic aspects of the business. In order to operate and stay in the market for long, one has to understand and analyze the marketing environment and its components properly. **Essential for planning** An understanding of the external and internal environment is essential for planning for the future. A marketer needs to be fully aware of the current scenario, dynamism, and future predictions of the marketing environment if he wants his plans to succeed. **Understanding Customers** A thorough knowledge of the marketing environment helps marketers acknowledge and predict what the customer actually wants. In-depth analysis of the marketing environment reduces and even removes the noise between the marketer and customers and helps the marketer to understand the consumer behaviour better. **Tapping Trends** Breaking into new markets and capitalizing on new trends requires a lot of insight about the marketing environment. The marketer needs to research about every aspect of the environment to create a foolproof plan. **Threats and Opportunities** A sound knowledge of the market environment often gives a first mover advantage to the marketer as he makes sure that his business is safe from the future threats and taps the future opportunities. **Understanding the Competitors** Every niche has different players fighting for the same spot. A better understanding of the marketing environment allows the marketer to understand more about the competitions and about what advantages do the competitors have over his business and vice versa. Did we miss something?

Chapter 2 : What is market environment? definition and meaning - racedaydvl.com

The Marketing Environment. The marketing environment surrounds and impacts upon the organization. There are three key elements to the marketing environment which are the internal environment, the microenvironment and the macroenvironment.

Micro Environment Factors The suppliers: Suppliers can control the success of the business when they hold the power. If the product the organisation produces is taken to market by 3rd party resellers or market intermediaries such as retailers, wholesalers, etc. For example, if a retail seller is a reputable name then this reputation can be leveraged in the marketing of the product. Who the customers are B2B or B2C, local or international, etc. Those who sell same or similar products and services as your organisation are your market competition, and the way they sell needs to be taken into account. How does their price and product differentiation impact you? How can you leverage this to reap better results and get ahead of them? Your organisation has a duty to satisfy the public. Any actions of your company must be considered from the angle of the general public and how they are affected. The public have the power to help you reach your goals; just as they can also prevent you from achieving them.

Macro Environment Factors Demographic forces: The skills and knowledge applied to the production, and the technology and materials needed for production of products and services can also impact the smooth running of the business and must be considered. Political and legal forces: Social and cultural forces: The impact the products and services your organisations brings to market have on society must be considered. A recent example of this is the environment and how many sectors are being forced to review their products and services in order to become more environmentally friendly.

Micro and macro environments have a significant impact on the success of marketing campaigns, and therefore the factors of these environments should be considered in-depth during the decision making process of a strategic marketer. If you are interested in learning more about micro and macro environments, and strategic marketing as a whole, then you may be interested in the CIM Diploma in Professional Marketing. The marketing course is ideal for individuals looking to build practical skills in operational marketing management and broaden their strategic perspective. For more information about the marketing diploma qualification and studying with Oxford College of Marketing, call Dave Charlton on 0 or email enquiries oxfordpeg.

Chapter 3 : The Marketing Environment

The business environment is a marketing term and refers to factors and forces that affect a firm's ability to build and maintain successful customer relationships. Three levels of the environment are.

Marketing Environment Business environment comprises the exterior factors that influence the company operations either direct or indirect. The environment can not be influenced by the company as it is comprised of external factors. There are big companies that have a major influence on environment factors and small businesses that need to adapt continuously to environment changes. Opportunities Threats The elements of marketing environment can be classified in: Marketing Micro-environment " the factors that influence directly the ability of the company to achieve an offer standard desired by the customers Marketing Macro-environment " factors that affect the society as a whole and influence the company indirectly Marketing Micro-environment Micro-environment factors interact directly with the company and create pressure that produces a certain behavior of the company. There are opportunities the company can capitalize in its relations with business partners, but also threats to be avoided or prevented. Marketing micro-environment can also be classified in internal and external micro-environment. Internal micro-environment consists of strategic orientations and organization structures that capitalize on the human, material and financial resources of the company. Internal micro-environment factors are: The general vision of the company. Related to the general vision of the company. The marketing function must be an integrator function for all other functions, so that the marketing concept can be promoted. It represents a series of values and beliefs promoted company-wide, being a result of cultural elements that characterize the people that run the business or support it: Development of organizational culture is crucial. External micro-environment comprises the external factors that affect directly the company and exert mutual influence. External micro-environment factors are: Financial and material suppliers. This sort of situations can lead to operation blockage caused by lack of resources. Therefore, the relation between supplier and company need to be long term, strategic partnerships. Commissioners, brokers, transporters, logistics, consultants need also to be in strategic, long term partnerships with the company. Individuals or companies that buy our products. They are the micro-environment factor that causes most of the treats, being focused on reaching to more and more market segments, also by drawing customers from competitors over the market. The main concern relating to competitors in gaining competitive advantages. Mass-media, public administration, politic groups, shareholders, all these factors can create both opportunities and threats for the company. Marketing macro-environment can also be classified in national macro-environment and international macro-environment. National macro-environment comprises factors that affect the entire society and have also a influence on the company but long term and wide spread. National macro-environment factors are: Demographic factors, related to the population structure in age, household, education, employment, geographical location. Cultural factors, related to values, beliefs, religion, customs. Technological factors Economical factors economic policy, economy development, purchasing power Ecological factors International macro-environment is a result of economic globalization, externalized in economic integration. The factors that influence the international macro-environment are: Commercial policies regarding customs, import, export International investment fluxes Financial and monetary international processes International markets.

Chapter 4 : Marketing Environment

The marketing environment is everything your company must take into consideration when developing and presenting a new product. The elements of a marketing environment include, but are not limited.

Some of these factors are controllable while some are uncontrollable and require business operations to change accordingly. The marketing environment can be broadly classified into three parts: Internal Environment

• **Internal Environment** – The Internal Marketing Environment includes all the factors that are within the organization and affects the overall business operations. These factors include labor, inventory, company policy, logistics, budget, capital assets, etc. These factors can be controlled by the firm.

• **Microenvironment** – The Micro Marketing Environment includes all those factors that are closely associated with the operations of the business and influences its functioning. These factors are controllable to some extent. These factors are further elaborated: Thus, each marketing strategy is customer oriented that focuses on understanding the need of the customers and offering the best product that fulfills their needs.

• **Employees** – Employees are the main component of a business who contributes significantly to its success. The quality of employees depends on the training and motivation sessions given to them.

• **Suppliers** – Suppliers are the persons from whom the material is purchased to make a finished good and hence are very important for the organization.

• **Competitors** – Keeping a close watch on competitors enables a company to design its marketing strategy according to the trend prevailing in the market. Thus, marketing activities should be undertaken keeping in mind the returns to shareholders.

• **Government** – The Government departments make several policies viz. Pricing policy, credit policy, education policy, housing policy, etc. A company has to keep track on these policies and make the marketing programs accordingly.

• **General public** – The business has some social responsibility towards the society in which it is operating. Thus, all the marketing activities should be designed that result in increased welfare of the society as a whole.

• **Macro Environment** – The Macro Marketing Environment includes all those factors that exist outside the organization and can not be controlled. The detailed description of Macro factors is given below: So the firm has to comply with all these changes and the violation of which could penalize its business operations.

• **Economic Factors** – Every business operates in the economy and is affected by the different phases it is undergoing. In the case of recession, the marketing practices should be different as what are followed during the inflation period.

• **Social Factors** – since business operates in a society and has some responsibility towards it must follow the marketing practices that do not harm the sentiments of people. Also, the companies are required to invest in the welfare of general people by constructing public conveniences, parks, sponsoring education, etc.

• **Technological Factors** – As technology is advancing day by day, the firms have to keep themselves updated so that customers needs can be met with more precision. Therefore, marketing environment plays a crucial role in the operations of a business and must be reviewed on a regular basis to avoid any difficulty.

Micro Environment. The micro environment is made up of factors that are close to the firm and affect it on a 'day to day' basis; usually these factors interact with the firm or are involved in the same industry.

Machinery and equipment etc. Economic environment describes the overall economic situation in a country and helps in analysis GNP per capita rate of economic growth, inflation rate, unemployment problems etc. The physical environment or natural environment involves the natural resources that are needed as inputs by marketers or those that are affected by marketing activities. Environmental concerns have grown steadily in recent years. Marketers should be aware of trends like shortages of raw materials, increased pollution, and increased governmental intervention in natural resources management. Potential shortages of certain raw materials, for examples, oil, coal, minerals, unstable cost of energy, increased levels of pollution; changing role of Government in environment protection are a few of the dangers the world is facing on physical environment forces. Other aspects of the natural environment which may increasingly affect marketing include the availability and cost of raw materials, energy and other resources, particularly if those resources and energy come from non-renewable sources. The technological environment is the most dramatic force now facing our destiny. Technological discoveries and developments create opportunities and threats in the market. The marketer should watch the trends in technology. The biggest impact that the society has been undergoing in the last few years is the technological advancement, product changes and its effects on consumers. Technology has brought innumerable changes in human lives, be it in the field of science, medicine, entertainment, communication, and travel or office equipment. Name any field, and one can see changes in product or efficiency and faster services. Technology has released such wonders as penicillin, open-heart surgery and birth control pill. It has released such horrors as the hydrogen bomb, nerve gas, and the sub-machine gun. Transistors hurt the vacuum tube industry, xerography hurt the carbon paper business, autos hurt the railroads, and television hurt the newspapers. Instead of moving into the new technologies, many old industries fought or ignored them and their business declined. Yet it is the essence of market capitalism to be dynamic and tolerate the creative destructiveness of technology as the price of progress. That is understanding this aspect of the marketing environment is much more than simply being familiar with the latest hi-tech innovations. Technology affects not only the type of products available but also the ways in which people organize their lives and the ways in which goods and services can be marketed. Computer-aided design CAD and computer-aided manufacturer CAM have shortened the time required for new products to reach the market and increased the variety of products that can be produced cost effectively. Mass production is in standardized models. Computer systems have also contributed substantially to the growth of various forms of direct marketing such as direct mail, direct response marketing etc. The political environment consists of factors related to the management of public affairs and their impact on the business of an organisation. Political environment has a close relationship with the economic system and the economic policy. Some Governments specify certain standards for the products including packaging. Some other Governments prohibit the marketing of certain products. In most nations, promotional activities are subject to various types of controls. India is a democratic country having a stable political system where the Government plays an active role as a planner, promoter and regulator of economic activity. Businessmen, therefore, are conscious of the political environment that their organisation face. Most Governmental decisions related to business are based on political considerations in line with the political philosophy following by the ruling party at the Centre and the State level. Substantial number of laws have been enacted to regulate business and marketing to protect companies from each other, to protect consumers from unfair trade practices, to protect the larger interests of society against unbridled business behaviour. Changing Government agency enforcement and growth of public interest groups also bring in threats and challenges. Marketing decisions are strongly affected by laws pertaining to competition, price-setting, distribution arrangement, advertising etc. It is necessary for a marketer to understand the legal environment of the country and the jurisdiction of its courts. The following laws affected business in India: Indian Contract Act 2. Factories Act 3. Minimum Wages Act 4. Essential

Commodities Act 5. The Companies Act 7. Trade and Merchandise Act 8. Monopolies and Restrictive Trade Practice Act 9. The water Prevention and Control of Pollution Act Environment Protection Act Consumer Protection Act Securities and Exchange Board of India Act Social and Cultural Environment: Socio-cultural forces refer to the attitudes, beliefs, norms, values, lifestyles of individuals in a society. These forces can change the market dynamics and marketers can face both opportunities and threats from them. Some of the important factors and influences operating in the social environment are the buying and consumption habits of people, their languages, beliefs and values, customs and traditions, tastes and preferences, education and all factors that affect the business. Understanding consumer needs is central to any marketing activity and those needs will often be heavily influenced by social and cultural factors. These cover a range of values, beliefs, attitudes and customs which characterize societies or social groups. Changes in lifestyle of people affect the marketing environment. As health problems in people have increased because of significant changes in their lifestyle, they have become concerned about their food. They prefer to eat low fat, low or no cholesterol food. This is specially true for people above 40 years. To a great extent, social forces determine what customers buy, how they buy, where they buy, when they buy, and how they use the products. In India, social environment is continuously changing. One of the most profound social changes in recent years is the large number of women entering the job market. They have also created or greatly expended the demand for a wide range of products and services necessitated by their absence from the home. There is a lot of change in quality-of-lifestyles and people are willing to have many durable consumer goods like TV. Culture influences every aspect of marketing. Marketing decisions are based on recognition of needs and wants of the customer, a function of customer perceptions. Marketing environment can also be classified as: Controllable forces consist of marketing policies and marketing strategies. Marketing policies are framed by the firm depending on its marketing philosophy. The top management is responsible for framing broad policies. Marketing strategies are developed by middle level management. Internal forces are inherent to the firm and can be controlled by the management. Marketing mix elements are the tools often used to harmonies the internal variables with that of external variables. The controllable factors are well within the grip of the firm and comparably easy to adjust them to suit the changes. These factors are combined into what we have referred to earlier as Marketing Mix. For instance, if the price appears to be on the higher side a decision to reduce it for a short term or even a long term is possible and could be implemented as quickly as possible. Off-season prices or discounts are examples in this connection. Various elements called uncontrollable variables affect an organisation and its marketing efforts. It is now recognized by all that even a well conceived marketing plan may fail if adversely influenced by uncontrollable factors. The external forces are divided into micro-environment and macro-environment. The micro-environment consists of the suppliers, marketing intermediaries, customers etc. Examples of Threats are: Electronic type-writer with memory replaces manual type-writer. Twin blade shaving system replaces razor shaving system. Fuel efficient small cars against old model cars. Entry of MNCs into Indian market increased competition. Examples of opportunities are: Marketing opportunities to produce cheap small cars. Marketing opportunities to start business in low cholesterol food items. Dismantling of price controls and introduction of market-driven price policy.

Chapter 6 : What is marketing environment? definition and meaning - racedaydvl.com

Marketing Environment Definition: The Marketing Environment includes the Internal factors (employees, customers, shareholders, retailers & distributors, etc.) and the External factors (political, legal, social, technological, economic) that surround the business and influence its marketing operations.

Micro-environment[edit] Company aspect of micro-environment refers to the internal environment of the company. This includes all Departmentalization departments such as management, finance, research and development, purchasing, Business operations and accounting. Each of these departments influences marketing decisions. For example, research and development have input as to the features a product can perform and accounting approves the financial side of marketing plans and budget in customer dissatisfaction. Marketing managers must watch supply availability and other trends dealing with suppliers to ensure that product will be delivered to customers in the time frame required in order to maintain a strong customer relationship. These are the people that help the company promote, sell, and distribute its products to final buyers. They match the distribution to the customers and include places such as Wal-Mart, Target, and Best Buy. Marketing services agencies are companies that offer services such as conducting marketing research, advertising, and consulting. Financial intermediaries are institutions such as banks, credit companies and Insurance companies. There are different types of customer markets including consumer markets, business markets, government markets, Globalization international markets, and reseller markets. The consumer market is made up of individuals who buy goods and services for their own personal use or use in their household. Business markets include those that buy goods and services for use in producing their own products to sell. This is different from the reseller market which includes businesses that purchase goods to resell as is for a profit. These are the same companies mentioned as market intermediaries. The government market consists of government agencies that buy goods to produce public services or transfer goods to others who need them. International markets include buyers in other countries and includes customers from the previous categories. To remain competitive a company must consider who their biggest competitors are while considering its own size and position in the industry. The company should develop a strategic advantage over their competitors. Citizen-action publics include environmental groups and minority groups and can question the actions of a company and put them in the public spotlight. Macro-environment[edit] The macro-environment refers to all forces that are part of the larger society and affect the micro-environment. It includes concepts such as demography, economy, natural forces, technology, politics, and culture. The purpose of analyzing the macro marketing environment is to understand the environment better and to adapt to the social environment and change through the marketing effort of the enterprise to achieve the goal of the enterprise marketing. Demography refers to studying human populations in terms of size, density, location, age, gender, race, and occupation. An example of demography is classifying groups of people according to the year they were born. These classifications can be referred to as baby boomers , who are born between and , generation X , who are born between and , and generation Y , who are born between and Each classification has different characteristics and causes they find important. This can be beneficial to a marketer as they can decide who their product would benefit most and tailor their marketing plan to attract that segment. Demography covers many aspects that are important to marketers including family dynamics, geographic shifts, workforce changes, and levels of diversity in any given area. Another aspect of the macro-environment is the economic environment. This refers to the purchasing power of potential customers and the ways in which people spend their money. Within this area are two different economies, subsistence and industrialized. Subsistence economies are based more in agriculture and consume their own industrial output. Industrial economies have markets that are diverse and carry many different types of goods. Each is important to the marketer because each has a highly different spending pattern as well as different distribution of wealth. The natural environment is another important factor of the macro-environment. This includes the natural resources that a company uses as inputs that affects their marketing activities. The concern in this area is the increased pollution, shortages of raw materials and increased governmental intervention. The last concern, government

intervention can make it increasingly harder for a company to fulfill their goals as requirements get more stringent. The technological environment is perhaps one of the fastest changing factors in the macro-environment. This includes all developments from antibiotics and surgery to nuclear missiles and chemical weapons to automobiles and credit cards. As these markets develop it can create new markets and new uses for products. It also requires a company to stay ahead of others and update their own technology as it becomes outdated. They must stay informed of trends so they can be part of the next big thing, rather than becoming outdated and suffering the consequences financially. In order to understand the different spending patterns, marketers need to also take into consideration about the development of digital technology and its effect on market growth and employment. It is key for a marketer, especially in a digitally-dominated market, to anticipate demand in order to capitalise on potential market growth. Technology has developed to the extent where purchase patterns can be analysed in order to forecast future demand [4]. The political environment includes all laws, government agencies, and groups that influence or limit other organizations and individuals within a society. It is important for marketers to be aware of these restrictions as they can be complex. Some products are regulated by both state and federal laws. There are even restrictions for some products as to who the target market may be, for example, cigarettes should not be marketed to younger children. There are also many restrictions on subliminal messages and monopolies. As laws and regulations change often, this is a very important aspect for a marketer to monitor. As laws and regulations change often, they create barriers that can hugely influence the way in which companies can market their business across the digital community in particular. When conducting business in the United Kingdom, the government is committed to ensuring the best possible platform to start and grow a UK digital business [5], therefore Internet Governance becomes a vital force in the management and control of the growth of the internet and its usage [6]. The final aspect of the macro-environment is the social environment, which consists of institutions and basic values and beliefs of a group of people. The values can also be further categorized into core beliefs, which passed on from generation to generation and very difficult to change, and secondary beliefs, which tend to be easier to influence. As a marketer, it is important to know the difference between the two and to focus your marketing campaign to reflect the values of a target audience. These values can also be further categorized into core beliefs, which passed on from generation to generation and very difficult to change, and secondary beliefs, which tend to be easier to influence. With entering into an age where technology has a key role in the forming of social beliefs and values, cultural diversity has developed within the world of digital communities [7]. Facebook, Twitter, LinkedIn. These digital communities consist of many groups of demographics that involve different levels of Internet usage and versatile behaviour with online purchasing [8]. When dealing with the marketing environment it is important for a company to become proactive. By doing so, they can create the kind of environment that they will prosper in and can become more efficient by marketing in areas with the greatest customer potential. It is important to place equal emphasis on both the macro and micro environment and to react accordingly to changes within them. Environmental monitoring, environmental forecasting and environmental assessment complete the global environmental analysis. The global environment refers to the macro environment which comprises industries, markets, companies, clients and competitors. Consequently, there exist corresponding analyses on the micro-level. Suppliers, customers and competitors representing the micro environment of a company are analyzed within the industry analysis. Issues are often forerunners of trend breaks. A trend break could be a value shift in society, a technological innovation that might be permanent or a paradigm change. Environmental scanning reinforces productive strategic plans and policies that can be implemented to make the organization get the maximum use of the business environment they are in. Environmental scanning helps a business improve their decision-making process in times of risk to the external and internal environments the business is in. The scanning process makes the organization aware of what the business environment is about. It allows the organization to adapt and learn from that environment. Environmental scanning is a useful tool for strategic management as it helps them to create and develop the aims and objectives of the company which assists with the production of the company or organization. A common formal environmental scanning process has five steps. The five steps are fundamental in the achievement of each step and may develop each other in some form: The first step of the environmental

scanning process requires the identification of the needs and the issues that have occurred that caused the organization to decide an environmental scanning is required. Before starting the process there are several factors that need to be considered which include the purpose of the scanning, who will be participating in the processes and the amount of time and the resources that will be allocated for the duration of the scanning process. The second step of the scanning process is gathering the information. All the needs of the organization are translated into required pieces of information that will be useful in the process. The third steps analyzing all the information that the business has collected. When analyzing the information organizations are made aware of the trends or issues that the organizations may be influenced by. The step four of the environmental scanning process is all about the communication of the results obtained in step three. The appropriate decision makers analyze the translated information of the potential effects of the organization. All the information is presented in a simple and concise format With all the information obtained from steps three and four, step five is all about making informed decisions. Management creates appropriate steps that will position the organization in the current business environment. The external and internal information sources. The external information sources includes:

Chapter 7 : Market environment - Wikipedia

Marketing Environment The marketing environment represents a mix between the internal and external forces which surround an organization and have an impact upon it, especially their ability to build and maintain successful relationships with target customers.

Marketing Environment The Marketing Environment The marketing environment surrounds and impacts upon the organization. There are three key elements to the marketing environment which are the internal environment, the microenvironment and the macroenvironment. Why are they important? Well marketers build both internal and external relationships. Macroenvironment The macroenvironment is less controllable. The macro environment consists of much larger all-encompassing influences which impact the microenvironment from the broader global society. Here we would consider culture, political issues, technology, the natural environment, economic issues and demographic factors amongst others. Again for Walmart the wider global macro environment will certainly impact its business, and many of these factors are pretty much uncontrollable. Walmart trades mainly in the United States but also in international markets. For example in the United Kingdom Walmart trades as Asda. Walmart would need to take into account local customs and practices in the United Kingdom such as bank holidays and other local festivals. The United States and Europe experience different economic cycles, so trading in terms of interest rates needs to be considered. Also remember that Walmart can sell firearms in the United States which are illegal under local English law. There are many other macroeconomic influences such as governments and other publics, economic indicators such as inflation and exchange rates, and the level nature of the local technology in different countries. There are powerful influencers such as war in Afghanistan for example and natural disasters such as the Japanese Fukushima Daiichi nuclear disaster which inevitably would influence the business and would be out of its control. To summarise, controllable factors tend to be included in your internal environment and your microenvironment. On the other hand less controllable factors tend to be in relation to your macro environment. Why not list your own controllable versus uncontrollable factors for a business of your choice? Internal Environment The internal environment has already been touched upon by other lessons on marketing teacher. For example, the lessons on internal marketing and also on the functions within an organization give a good starting point to look at our internal environment. A useful tool for quickly auditing your internal environment is known as the Five Ms which are Men, Money, Machinery, Materials and Markets. Here is a really quick example using British Airways. Looking internally at men, British Airways employees pilots, engineers, cabin crew, marketing managers, etc. Money is invested in the business by shareholders and banks for example. Machinery would include its aircraft but also access to air bridges and buses to ferry passengers from the terminal to the aircraft. Materials for a service business like British Airways would be aircraft fuel called kerosene although if we were making aircraft materials would include aluminium, wiring, glass, fabric, and so on. Finally markets which we know can be both internal and external. Some might include a sixth M, which is minutes, since time is a valuable internal resource. We are looking at the immediate local influences which might include its marketing plans, how it implements customer relationship management, the influence of other functions such as strategy from its top management, research and development into new logistics solutions, how it makes sure that it purchases high-quality product at the lowest possible price, that accounting is undertaken efficiently and effectively, and of course its local supply chain management and logistics for which Walmart is famous. Microenvironment The microenvironment is made from individuals and organizations that are close to the company and directly impact the customer experience. Examples would include the company itself, its suppliers, other marketing input from agencies, the markets and segments in which your business trades, your competition and also those around you which public relations would call publics who are not paying customers but still have an interest in your business. The Micro environment is relatively controllable since the actions of the business may influence such stakeholders. It would consider how to recruit, retain and extend products and services to customers. It would pay close attention to the actions and reactions of direct competitors. Walmart would build and nurture close

relationships with key suppliers. The business would need to communicate and liaise with its publics such as neighbours which are close to its stores, or other road users. There will be other intermediaries as well including advertising agencies and trade unions amongst others. Published by Tim Friesner Marketing Teacher designs and delivers online marketing courses, training and resources for marketing learners, teachers and professionals. View all posts by Tim Friesner Posted on.

Chapter 8 : Marketing Environmental Variables and their Effects | Marketing Management

Marketing environment 1. MARKETING ENVIRONMENT 2. THE MARKETING ENVIRONMENT – The forces that directly and indirectly influence an organization's capability to undertake its business. – The trading forces operating in a market place over which a business has no direct control, but which shape the manner in which it operates.

Definition[edit] Marketing is defined by the American Marketing Association as "the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. From a sales process engineering perspective, marketing is "a set of processes that are interconnected and interdependent with other functions" of a business aimed at achieving customer interest and satisfaction. The Chartered Institute of Marketing defines marketing as "the management process responsible for identifying, anticipating and satisfying customer requirements profitably. However, because the academic study of marketing makes extensive use of social sciences , psychology , sociology , mathematics , economics , anthropology and neuroscience , the profession is now widely recognized as a science, [8] [not in citation given] allowing numerous universities to offer Master-of-Science MSc programs. Given the centrality of customer needs and wants in marketing, a rich understanding of these concepts is essential: Something necessary for people to live a healthy, stable and safe life. When needs remain unfulfilled, there is a clear adverse outcome: Needs can be objective and physical, such as the need for food, water and shelter; or subjective and psychological, such as the need to belong to a family or social group and the need for self-esteem. Something that is desired, wished for or aspired to. Wants are not essential for basic survival and are often shaped by culture or peer-groups. When needs and wants are backed by the ability to pay , they have the potential to become economic demands. A product orientation is based on the assumption that, all things being equal, consumers will purchase products of a superior quality. Although the product orientation has largely been supplanted by the marketing orientation, firms practising a product orientation can still be found in haute couture and in arts marketing. Consequently, this entails simply selling existing products, using promotion and direct sales techniques to attain the highest sales possible. A production orientation may be deployed when a high demand for a product or service exists, coupled with certainty that consumer tastes and preferences remain relatively constant similar to the sales orientation. The so-called production era is thought to have dominated marketing practice from the 1880s to the 1920s, but other theorists argue that evidence of the production orientation can still be found in some companies or industries. Specifically Kotler and Armstrong note that the production philosophy is "one of the oldest philosophies that guides sellers Market orientation The marketing orientation is perhaps the most common orientation used in contemporary marketing. It is a customer-centric approach that involves a firm basing its marketing program around products that suit new consumer tastes. A firm in the market economy can survive by producing goods that persons are willing and able to buy. As an example, a marketing department could ascertain via marketing research that consumers desired a new type of product, or a new usage for an existing product. The production department would then start to manufacture the product, while the marketing department would focus on the promotion, distribution, pricing, etc. Inter-departmental conflicts may occur, should a firm adhere to the marketing orientation. Production may oppose the installation, support and servicing of new capital stock, which may be needed to manufacture a new product. Finance may oppose the required capital expenditure, since it could undermine a healthy cash flow for the organization. As no-one has to buy goods from any one supplier in the market economy, firms must entice consumers to buy goods with contemporary marketing ideals. Societal marketing A number of scholars and practitioners have argued that marketers have a greater social responsibility than simply satisfying customers and providing them with superior value. Marketing organisations that have embraced the societal marketing concept typically identify key stakeholder groups such as employees, customers, and local communities. They should consider the impact of their activities on all stakeholders. Companies that adopt a societal marketing perspective typically practice triple bottom line reporting whereby they publish social impact and environmental impact reports alongside financial performance reports. Sustainable marketing or green marketing is an extension of societal marketing. They are

the foundation of managerial marketing and the marketing plan typically devotes a section to each of these Ps. Origins[edit] During the s, the discipline of marketing was in transition. Interest in the functional school of thought, which was primarily concerned with mapping the functions of marketing was waning while the managerial school of thought, which focussed on the problems and challenges confronting marketers was gaining ground. Many scholars and practitioners relied on lengthy classifications of factors that needed to be considered to understand consumer responses. The "marketing mix" gained widespread acceptance with the publication, in , of E. A Managerial Approach which outlined the ingredients in the mix as the memorable 4 Ps, namely product, price, place and promotion. Today, the marketing mix or marketing program is understood to refer to the "set of marketing tools that the firm uses to pursue its marketing objectives in the target market". The product element consists of product design, new product innovation, branding, packaging, labelling. The scope of a product generally includes supporting elements such as warranties, guarantees, and support. Branding , a key aspect of the product management, refers to the various methods of communicating a brand identity for the product, brand , or company. Pricing This refers to the process of setting a price for a product, including discounts. The price need not be monetary; it can simply be what is exchanged for the product or services, e. The price is the cost that a consumer pays for a productâ€”monetary or not. Methods of setting prices are in the domain of pricing science. Place or distribution This refers to how the product gets to the customer; the distribution channels and intermediaries such as wholesalers and retailers who enable customers to access products or services in a convenient manner. This third P has also sometimes been called Place, referring to the channel by which a product or service is sold e.

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Marketing Environment concerns the influences or variables of the external and internal environment of a firm that controls the marketing management's capability to construct and preserve the flourishing relationships with the consumer.