

Internal environment and external environment in marketing



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In now social, we have two types of environment. They are internal environment and external environment; this two of environment is help us to analysis the environment of the business. Inside the internal environment is talking about the general condition that exists within an organization, for example exist the organization have the relationship between the workers. That are related to the culture and climate of organization, in different organization they will became different culture and climate, for example in the organization, the worker are always hard-working so for long time, when have new worker inside the organization will also become hard-working. Organization members, the nature of their with interactions, that will change the physical setting within an organization. Internal environment factors often referred to controllable factors such as stakeholders, for example in an organization will have different people interest, any person who have interest in the organization will become stakeholders, also have shareholders; managers; employees and customers.

External environment is about the business, business organization and management. Business is a commercial enterprise or establishment that trades in goods or services to earn profit. Business organization an entity that is both commercial and social, which provide necessary structure to achieve the central objective of trades in goods and services. Management is a process of getting the best results by utilizing human and labour resource, financial, and material resources available to the organization and to the manager. It identifies a special group of people whose job is to direct the effort and activities of other people towards common objectives. This is consider to plan, organize, command, coordinate and control. External

environment is Political factor; Economic factors; Social factor; Technology factor. That is the influence from outside, that we cannot control it. Political factor is the degree of government intervention. Economic factor is different countries may be categorized into developed and developing countries and the economic activity of each country may be run under different economic system. Social is refers to the attitude norms, belief, behaviors, and associated demographic trends that are characteristics of a given geographic area. Technology factor is include automation, work method, equipments used, human knowledge, technology incentive and the rate of technological change.

2. 2 The business we interview, SWOT for this business

This kind of business is a small business. This is chicken rice stall in Sentosa hawker centre, inside the hawker centre have many stall, this most popular business in the hawker centre. Because their chicken rice very delicious. This chicken rice stall is naming FaFa chicken rice, their start business in August 23, 2008. They also have sell noodles. Inside this business we can analysis their internal include strength and weakness, external environment is opportunity cost and threat. Below is the SWOT report for the hawker centre.

What is the strength for the FaFa stall? This FaFa stall has much strength. First, they business in a crowd places. This place wills lively when in night and public holiday, this place is golden zone in Johor Bahru. In the night will have many people come to here to eat chicken rice; this place is a popular place in Johor Bahru. Many stall have choose a correct place to do business. Secondly, is in Sentosa hawker centre, their food price is reasonable. In there their food price is suitable for ordinary people, they will set lower price than <https://assignbuster.com/internal-environment-and-external-environment-in-marketing/>

outside restaurant. Because inside the hawker centre has many stall, when they sell the food with higher price, people will not willing to buy and they will lose the customer. Third is in the Sentosa hawker centre their stall rental is lower than outside, for example food court, food court in shopping centre, restaurant and etc... Their rental is higher than hawker centre. When their rental is lower, food also them will sell in lower price. Fourth is in the food choices is more than other places, because in the hawker centre have many stall. We can get much food from hawker centre; their standard also does not lower than other place. Each stall will have various type of food, for example in the hawker centre have Malay food, Indian food, Chinese food and etc...Fifth is the FaFa stall in Sentosa hawker centre is more close to city center, so when reach rest time will have many people come to eat. For example, when college student rest time will go to Sentosa hawker centre eat. Sixth is in Sentosa hawker centre we can bring any food into hawker centre, at there don't have rules is cannot bring food into there. If in the restaurant they will set the rules cannot bring food enter, but in the hawker centre people will more prefer to go. Other place will have this limit, for example restaurant will set rules cannot bring food and drink into the restaurant. For example, I want bring my own water or food to hawker centre, no people will stop me, so I more prefer go to there. Customer has more freedom.

Weakness of FaFa stalls. First, is in Sentosa hawker centre their space is hot than restaurant. This problem will influence the business of the FaFa stalls, people will more prefer go to restaurant when in hot day. When we go to there we can see there only have a few of fan, when at hot day we will feel

very hot. There is don't have aircon, but in raining day there will become very cool. We will feel not comfortable, and sweat streaming. For example in restaurant will feel pleasantly cool, whatever in what weather. Secondly, the place is dirty. People will worry about the hygiene. At there, animals can action is not restriction that will cause some disease. For example there have mouse, cockroach and etc.... Those animal will bring disease to the food, when people eat the food will become sick. Thirdly, is they cannot earn more profit. In the Sentosa hawker centre have many stall also is sell chicken rice. Because at there have many competitors, many stall have provide similar product. When they sell the food with higher price and they will lose the customer, they must sell the food with lower profit. For example their marginal cost is about RM2. 50, and their sell in RM3. 50, they can earn profit RM1. 00, they cannot earn higher price because other stall also sell in same price. Fourthly, at hawker centre they don't have own seat for each stall. Sometime, when have many people come to eat chicken rice don't have to place to sit. The seat of the hawker centre is not belong to any stall, customer must find the seat by own. Sometime will have many people, but they cannot find the seat. For example at 7. 00pm~8. 00pm will have a lot of people go to hawker centre for eat, sometime they cannot find a seat, stall didn't provide certain seat for customer. Fifthly, at hawker centre don't have waiter, we have to call the food by own. At busy time, FaFa stall don't enough worker so customer need to self-service. For example, when we go to restaurant will have waiter to serve us, but in the hawker centre have many stall. Sixthly, the capital of the stall is limited, so that they will close down easily when they don't have customer. For example when they start a business with RM5000 capital, when they cannot earn profit in short time

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and they will close down, so when they start a business they must think carefully. For big business they have much capital so they can try many type of business.

The opportunity cost of their business is very much. Firstly, they have many competitors in the Sentosa hawker centre. When they face with this problem they will more attempt to make good food to defeat other stall, they can head off a danger. When they more try hard they can win the heart of customer. For example have -stall is the competitors of the FaFa stall, so the FaFa stall will do more better to win -stall. Secondly, the inflation of the market economics. When market economics inflation, all the goods will inflation of price. This problem will cause the food price also get inflation, all the stall in the Sentosa hawker centre rise the food price. But FaFa stall didn't rise the price of food, so they get many customer. Whatever they earn more less profit. For example, price of the petrol going up, so also effect the price of goods, FaFa stall also keep same price, so their customer become many. Thirdly, other stall have similar product with FaFa stall, so they try different way to get customer. For example they sell the chicken rice with more large than other stall and sell in same price.

Threat for FaFa stall. Firstly, in the Sentosa hawker centre have every have stall close down also have new stall, that cause FaFa stall face the problem with new competitors. When have new stall, FaFa stall always will go to check their weakness and defeat them. For example have a -stall is very strong competitors, this a threat for FaFa stall.

When the FaFa stall face to weakness and threat, they can attempt to do more better. They to carry out more better product to satisfy customer, when customer satisfy the product and they will not close down. Being a businessman must have strengthen, face any problem cannot give up easily. Every problem when we willing to solve, must have a favourable turn and reduce loses.

2.3 Conclusion

Chicken rice in Sentosa Hawker centre business is a small business, if we attentively to run this business will get very successful. Hawker centre is suitable for all people, because inside there have different of stall. For example Indian food, Chinese food, Malay food and etc...