

Factors affecting  
marketing  
environment  
argumentative essay



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The market environment is a marketing term and refers to all of the forces outside of marketing that affect marketing management's ability to build and maintain successful relationships with target customers. The market environment consists of both the macroenvironment and the microenvironment. Microenvironment refers to the forces that are close to the company and affect its ability to serve its customers.

It includes the company itself, its suppliers, marketing intermediaries, customer markets, competitors, and publics. Refers to the internal environment of the company. Includes all departments, such as management, finance, research and development, purchasing, operations and accounting. Each of these departments has an impact on 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 budgets. Suppliers An important aspect of the microenvironment because even the slightest delay in receiving supplies can result 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. Marketing intermediaries refers to resellers, physical distribution firms, marketing services agencies, and financial intermediaries. These are the people that help the company promote, sell, and distribute its products to final buyers. Resellers are those that hold and sell the company's product.

They match the distribution to the customers and include places such as Wal-Mart, Target, and Best Buy. Physical distribution firms are places such as warehouses that store and transport the company's product from its origin to its destination. 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. Customers There are different types of customer markets including consumer markets, business markets, government markets, 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. Competitors Refer to companies with similar offerings for goods and services. 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. Publics Any group that has an interest in or impact on the organization's ability to meet its goals.

For example, financial publics can hinder a company's ability to obtain funds affecting the level of credit a company has. Media publics include newspapers and magazines that can publish articles of interest regarding the company and editorials that may influence customers' opinions. Government publics can affect the company by passing legislation and laws that put restrictions on the company's actions. Citizen-action publics include environmental groups and minority groups and can question the actions of a company and put them in the public spotlight. Local publics are neighborhood and community organizations and will also question a company's impact on the local area and the level of responsibility of their actions.

The general public can greatly affect the company as any change in their attitude, whether positive or negative, can cause sales to go up or down because the general public is often the company's customer base. And finally, the internal publics include all those who are employed within the company and deal with the organization and construction of the company's product. Macroenvironment refers to all forces that are part of the larger society and affect the microenvironment. It includes concepts such as demography, economy, natural forces, technology, politics, and culture. Demography refers to studying human populations in terms of size, density, location, age, gender, race, and occupation.

This is a very important factor to study for marketers and helps to divide the population into market segments and target markets. 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 <https://assignbuster.com/factors-affecting-marketing-environment-argumentative-essay/>

between 1946 and 1964, generation X, who are born between 1965 and 1976, and generation Y, who are born between 1977 and 1994. 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, work force changes, and levels of diversity in any given area. 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. Natural environment This includes the natural resources that a company uses as inputs and affects their marketing activities. The concern in this area is the increased pollution, shortages of raw materials and increased governmental intervention. As raw materials become increasingly scarcer, the ability to create a company's product gets much harder. Also, pollution can go as far as negatively affecting a company's reputation if they are known for damaging the environment.

The last concern, government intervention can make it increasingly harder for a company to fulfill their goals as requirements get more stringent.

Technological environment is perhaps one of the fastest changing factors in the macroenvironment. 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. For example the Internet is having a profound impact on the marketing mix strategy of organisations. Consumers can now shop 24 hours a day from their homes, work, Internet cafe's and via 3G phones and 3G cards. Some employees have instant access to e-mails through Blackberrys but this can be a double edged sword, as studies have shown that this access can cause work to encroach on their personal time outside work. 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.

Non conformance with legislative obligations can lead to sanctions such as fines, adverse publicity and imprisonment. Ineffective voluntary codes and practices will often lead to governments introducing legislation to regulate the activities covered by the codes and practices. Social environment 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.

In summary, organisations must be able to offer products and services that aim to complement and benefit people's lifestyle and behaviour. If organisations do not respond to changes in society they will lose market share and demand for their product or service.