

## THE COMPANY'S MICRO-ENVIRONMENT

It includes all of the factors close to the company that affect positively or negatively, its ability to create value for and relationships with its customers

### The Company

In designing marketing plans, marketing management takes other company groups into account-groups such as top management, finance, research and development (R&D), purchasing, operations, and accounting. All these interrelated groups form the internal environment. Top management sets the company's mission, objectives, broad strategies, and policies. Marketing managers make decisions within the strategies and plans made by top management. Marketing managers must work closely with other company departments. Other departments have an impact on the marketing department's plans and actions. And under the marketing concept, all of these functions must "think consumer." They should work in harmony to provide superior customer value and satisfaction.

### Suppliers

Suppliers form an important link in the company's overall customer value delivery system. They provide the resources needed by the company to produce its goods and services. Supplier problems can seriously affect marketing. Marketing managers must watch supply availability supply shortages or delays, labor strikes, and other events can cost sales in the short run and damage customer satisfaction in the long run. Marketing managers also monitor the price trends of their key inputs. Rising supply costs may force price increases that can harm the company's sales volume.

Most marketers today treat their suppliers as partners in creating and delivering customer value.

### Marketing Intermediaries

Firms that help the company to promote, sell, and distribute its goods to final buyers; they include resellers, physical distribution firms, marketing service agencies, and financial intermediaries.

### Customers

The company needs to study five types of customer markets closely. Consumer markets consist of individuals and households that buy goods and services for personal consumption. Business markets buy goods and services for further processing or for use in their production process, whereas reseller markets buy goods and services to resell at a profit. Government markets are made up of government agencies that buy goods and services to produce that need them finally, international markets consist of these buyers in other countries, including consumers, producers, resellers and governments. Each market type has special characteristics that call for careful study by the seller.

## Competitors

The marketing concept states that to be successful, a company must provide greater customer value and satisfaction than its competitors do. Thus marketers must do more than simply adapt to the needs of target consumers. They also must gain strategic advantage by positioning their offerings strongly against competitors offering in the minds of consumers.

No single competitive marketing strategy is best for all companies. Each firm should consider its own size and industry position compared to those of its competitors. Large firms with dominant positions in an industry can use certain strategies that smaller firms cannot afford. But being large is not enough. There are winning strategies for large firms, but there are also losing ones. And small firms can develop strategies that give them better rates of return that large firms enjoy.

## Publics

The company's marketing environment also includes various publics. A public is any group that has an actual or potential interest in or impact on an organization's ability to achieve its objectives. Some examples of publics are *Media Public* (includes newspapers, magazine, bloggers, etc.) and *Citizen-action Public* (includes interest groups, environmental groups, consumer associations, etc.).

Adapted from:

Kotler, P., & Armstrong, G. (2012). *Principles of Marketing (14<sup>th</sup>ed.)* [Chapter 2, pp 90 – 83]. Singapore: Pearson.