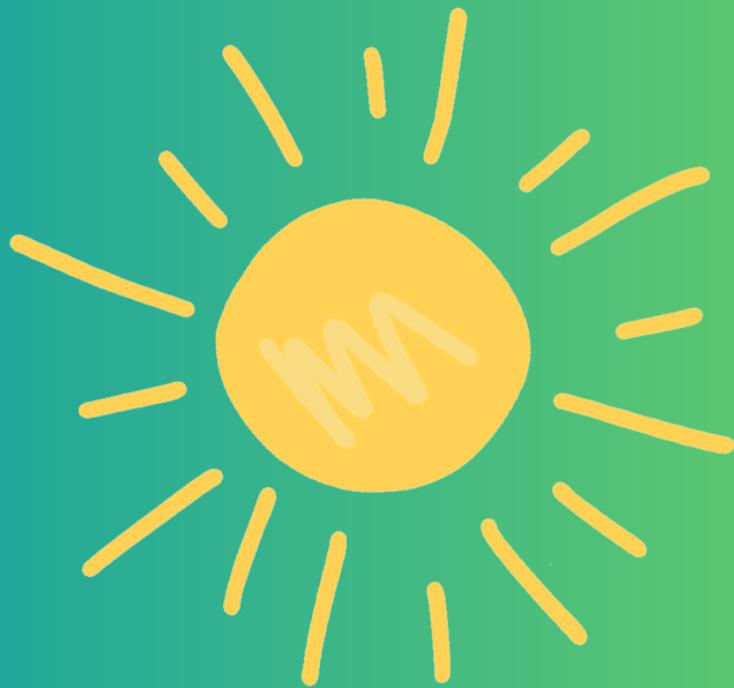


# **MICROENVIRONMENT**

## **FUNDAMENTAL OF MARKETING**



**DR. SURAYA AKMAR MOKHTARUDDIN**

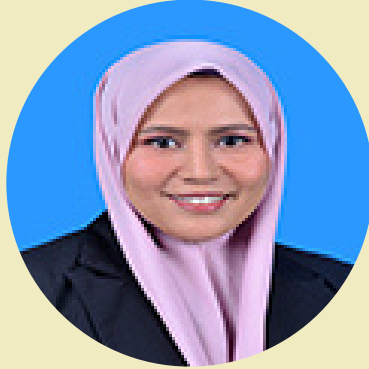
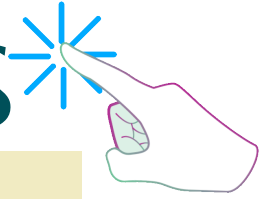
POLITEKNIK SERIES

# MICROENVIRONMENT



DR. SURAYA AKMAR MOKHTARUDDIN →

# KENALI PENULIS



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Sebuah terbitan



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## **MICROENVIRONMENT**

Modul mengikut silibus kursus Diploma Pengurusan Peruncitan Politeknik Malaysia dan sesuai untuk bacaan semua lapisan masyarakat.

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Nota: Semua model dan gambar yang terlibat dengan penggambaran adalah untuk manfaat kefahaman dan tidak terlibat atau kena mengena dengan isi kandungan buku ini.



# SYNOPSIS

We'll talk about marketing environment variables in this topic. The macro and microenvironments are the two types of marketing environment forces. These need that a business keeps an eye on environmental changes in order to spot possibilities and hazards. These marketing environment initiatives aim to establish and maintain stronger bonds with their target audience.

As a result, the effectiveness of a company's marketing strategy determines how well it responds to both internal and external environmental factors. When reading about this subject, focus more on the learning aim of the relative influence of the macro and microenvironments on business marketing efforts

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# 1 What is Microenvironment

## Introduction

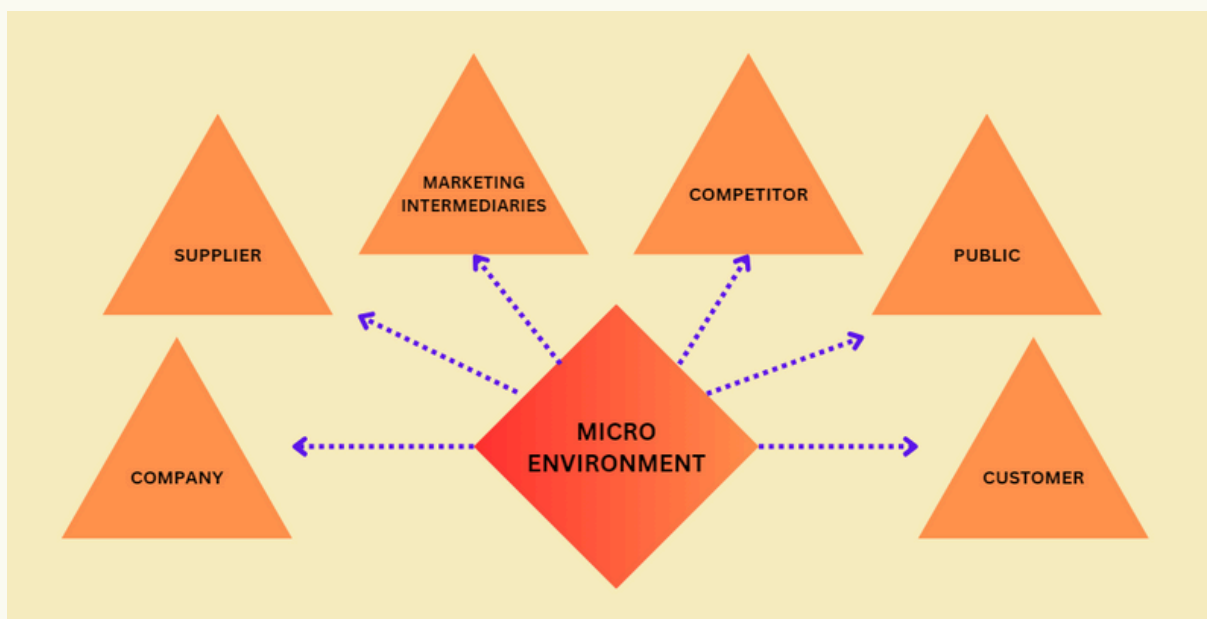
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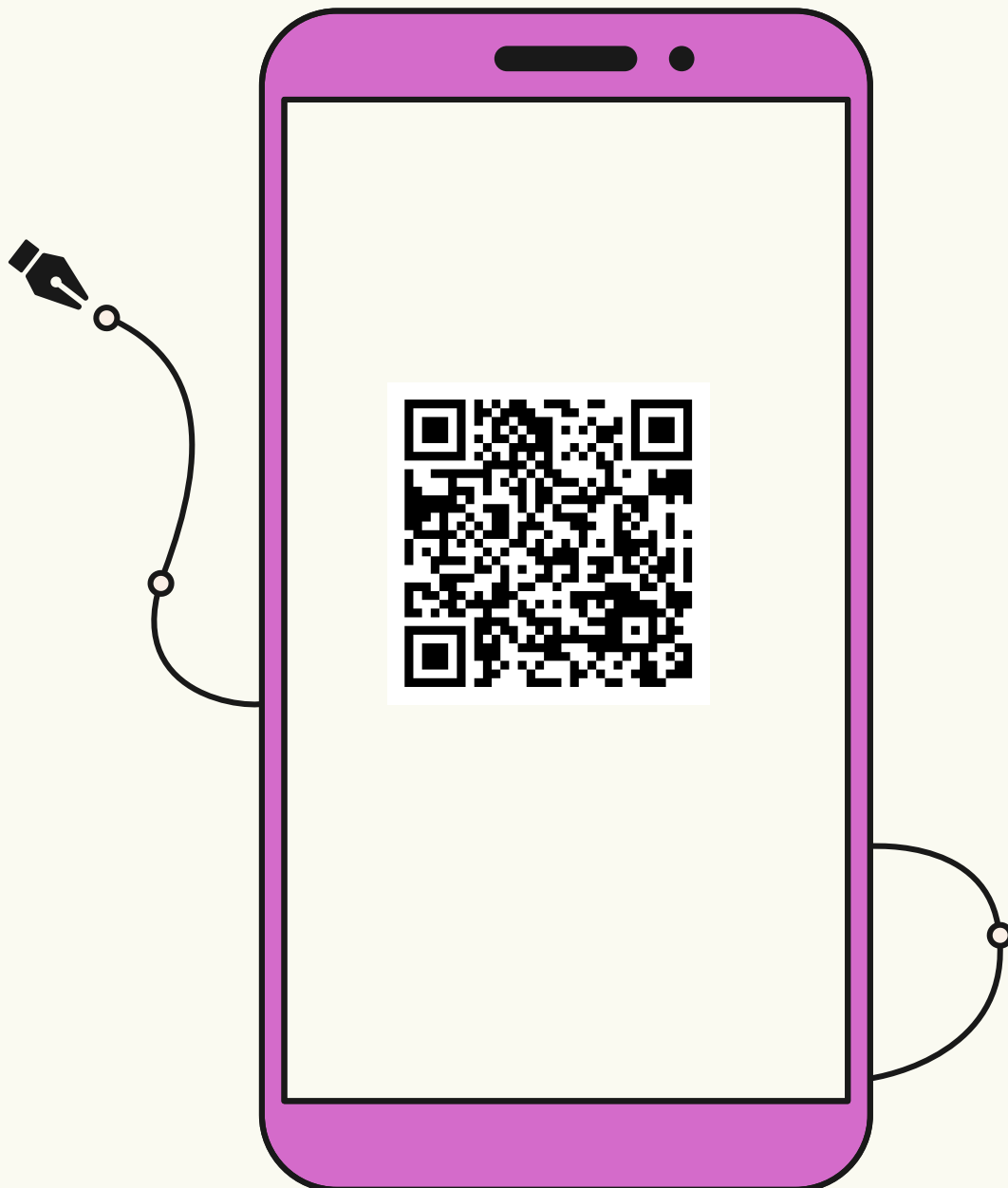


# What is Microenvironment

Microenvironmental influences impact the marketing activity of companies. These are forces that are near to the business, vendors, marketplaces, rival companies, marketing channels, and the public. Microenvironment elements are often within the company's control. It can be clarified further by saying that the corporation directly influences those who are engaged in commercial dealings to improve customer service.



## Video on Microenvironment



## 2 Company

There are several functional departments within a firm. These days, other departments are also in charge of meeting the needs and desires of consumers, in addition to the marketing division. Actually, for a marketing department to accomplish its goals, other departments must help. Therefore, to service the consumers, every employee in a company—regardless of department—should collaborate and work as a team.



---

The methods in which other departments can help the marketing department accomplish its goals are outlined below.

(a) Top Management

Directs the company in the appropriate direction by planning its overarching mission, vision, objectives, and strategies.

(b) Finance Department

Obtain funding to carry out marketing initiatives.

(c) Department of Research and Development

Develop and innovate new items to satisfy the ever-evolving needs of your customers.

(d) Department of Purchasing

Communicate with suppliers or vendors. This makes it possible for the buying manager to choose affordable, high-quality materials.

(e) Department of Production

Produce goods that the business can sell to its intended markets.

(f) Department of Accounting

Take procurement and cost into consideration while supporting marketing initiatives.



## Supplier

A supplier offers the raw materials that a business needs to make finished goods and services. Suppliers have a considerable amount of influence over marketing initiatives.

If the supplies are delivered at a high cost, the company's ability to compete in the market would undoubtedly be impacted because the increased price will be passed on to the customers. This may be the rationale behind the need for businesses to select suppliers with greater care.

Additionally, the business needs to select reputable suppliers who help the company reach its marketing goals by delivering goods on time, meeting requirements, and providing high-quality materials at reasonable pricing.

The vendors have to offer advice about fresh materials that are on the market as well as advancements in the sector.





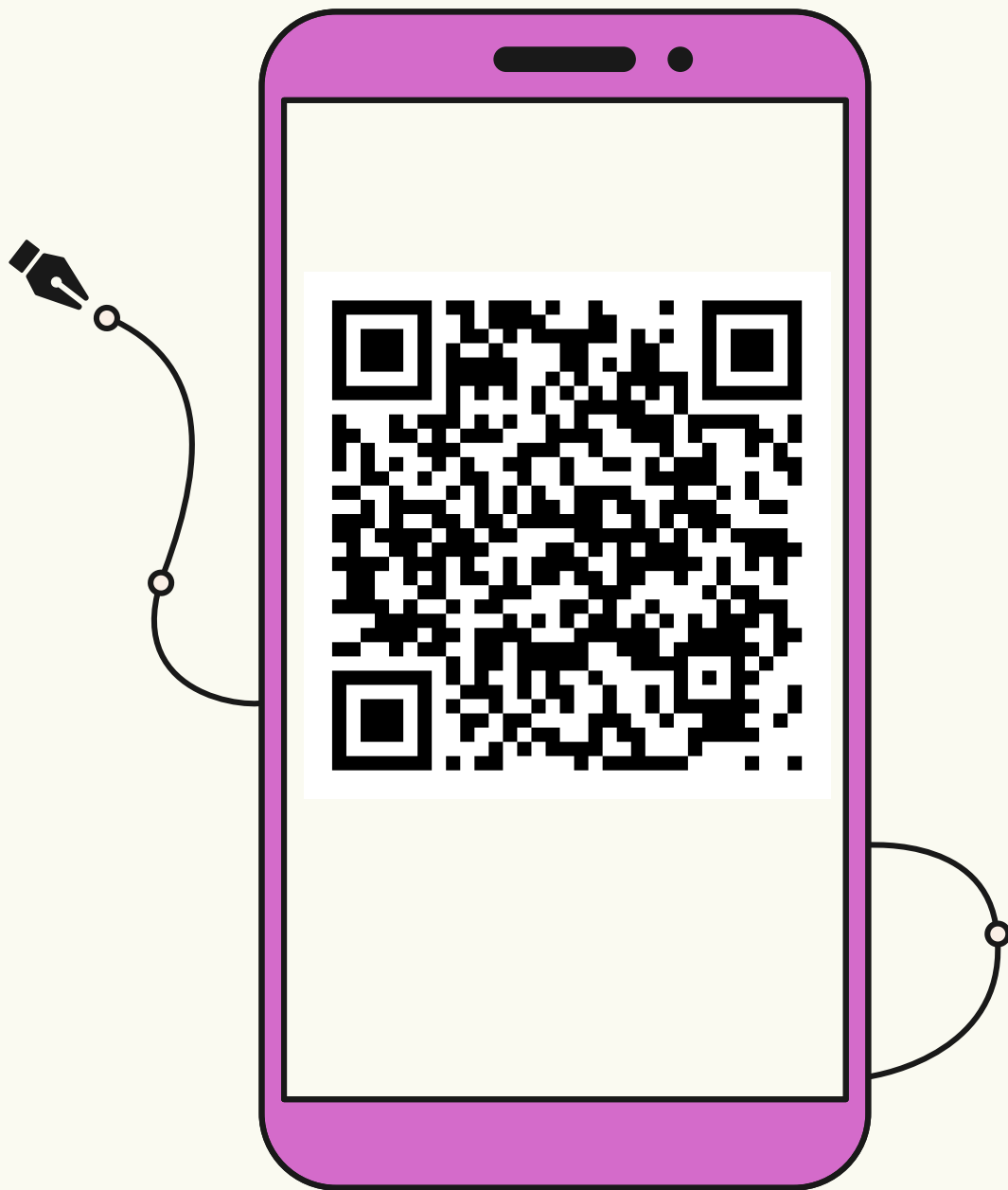
## 2 Marketing Intermediaries

A collection of interconnected businesses that take part in the process of making a good or service available to customers is known as marketing intermediaries. Retail and wholesale businesses are two types of marketing middlemen. Businesses use middlemen as distribution channels to make sure their goods and services get to the right people. Marketing intermediates perform a variety of tasks, such as transportation, storage, and promotional efforts, in addition to distributing goods and services to final consumers.

Similar to suppliers, marketing intermediaries play a significant role in the company's value delivery network as a whole. Because of this, modern marketers understand how important it is to collaborate with their middlemen rather than just using them as a means of product sales.



## Video on Marketing Intermediaries



## 3 Publics

The marketing environment of the organization includes various publics. Any group that could or could not have an impact on an organization's capacity to meet its goals is considered part of the public. There are seven different categories of publics:

### **Financial publics.**

This group affects the company's capacity to raise capital. Stockholders, banks, and investment analysts comprise the main financial publics.



## Media publics

News, features, editorial opinions, and other items are carried by this group. Television networks, newspapers, magazines, blogs, and other social media platforms are all included.



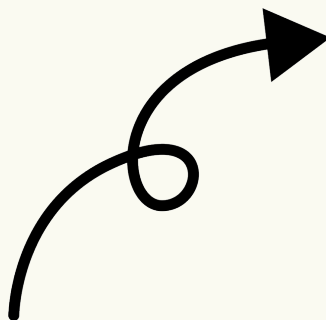
MEDIA PUBLICS



Government publics. Management needs to be aware of developments in the government. Regarding concerns about product safety, honesty in advertising, and other topics, marketers frequently have to consult with the company's lawyers.



GOVERNMENT  
PUBLIC



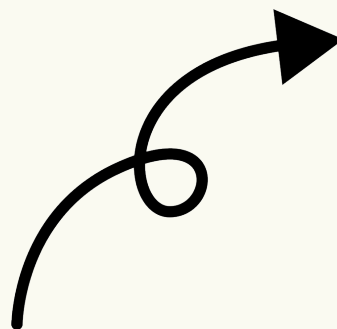


## Citizen-action publics

Groups representing minorities, the environment, and consumer interests may all challenge a company's marketing choices. It can maintain contact with consumer and citizen groups with the support of its public relations department.



CITIZEN-ACTION  
PUBLICS



## Internal publics

This group includes workers, managers, volunteers, and the board of directors. Big companies educate and inspire their internal publics through newsletters and other channels. Positive views about the organizations they work for are widespread when employees feel good about them.

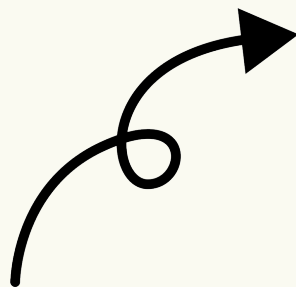


## General public

A business must be concerned about how the public perceives its offerings and actions. The way the public perceives a firm influences their purchasing decisions.



GENERAL PUBLIC





## **Local publics**

Residents and organizations of the local community are included in this group. Big businesses typically strive to integrate themselves into the communities in which they do business.

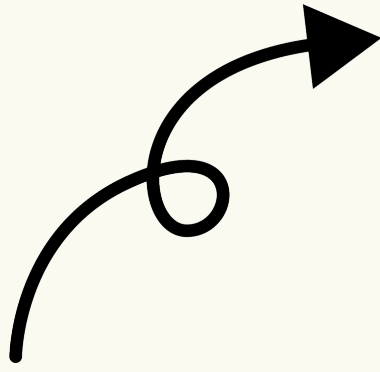


## Customers

Potential buyers and sellers make up a market. The sellers will search for buyers, ascertain their requirements and preferences, create a competitive offer, mark the price appropriately, run marketing campaigns, and provide goods or services to final consumers. Customers will concurrently look for goods and services that live up to their expectations.



CUSTOMERS





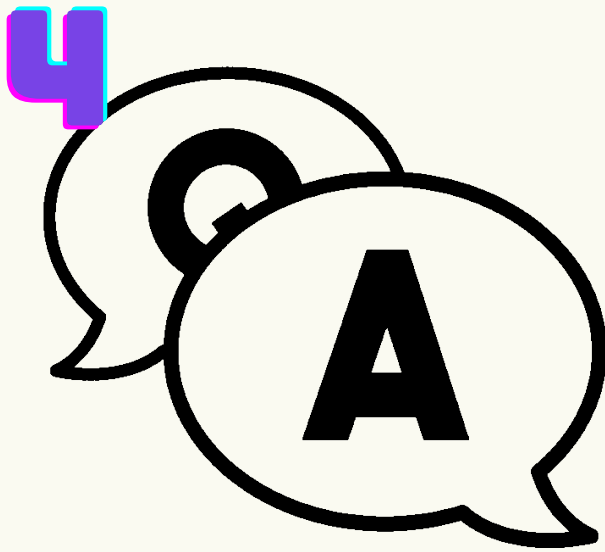
Consumer, commercial, reseller, government, and overseas markets make up the majority of the market (Figure 2.2). Individual customers who buy goods and services for their own consumption are included in the consumer market. Businesses that purchase materials as inputs for their manufacturing processes are part of the business market. Businesses that buy goods from producers and resell them to consumers for a profit make up the resellers market

Additionally, government organizations purchase goods from producers in the dairy, mining, agricultural, and plantation product. Finally, buyers and sellers who operate in the global marketplace are part of the international market.



## Video on the differences between Microenvironment and Macroenvironment





## Questions

1

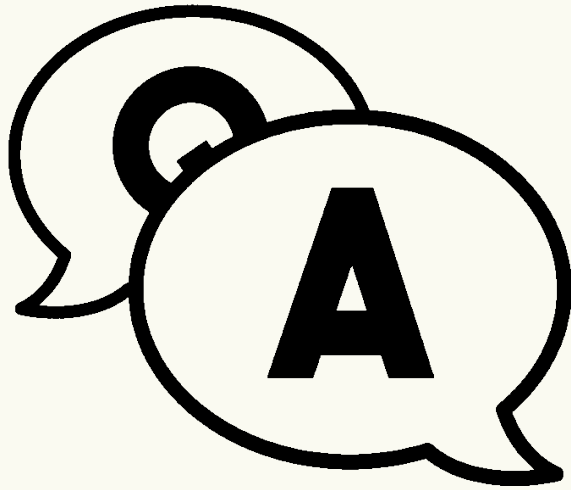
### Supplier and Distribution Networks

#### Supplier Influence:

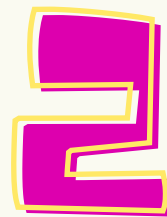
How do relationships with suppliers impact the marketing strategies of the company?

#### Distribution Channels:

What are the most effective distribution channels in the microenvironment for reaching target customers?



## Questions



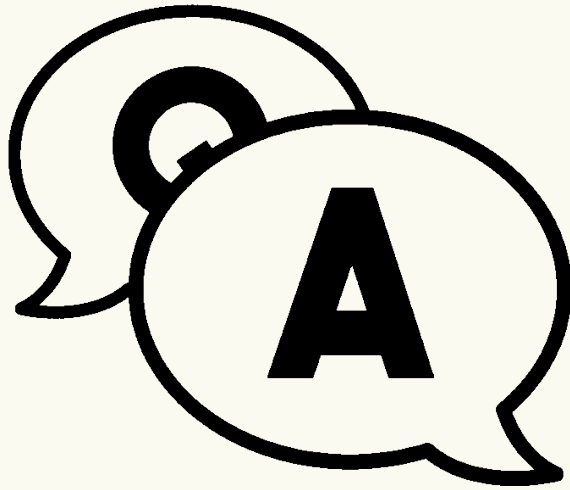
### Stakeholder Relationships

#### **Stakeholder Impact:**

**How does the company's strategy influence relationships with key stakeholders, including customers, suppliers, and investors?**

#### **Corporate Social Responsibility:**

**How does the company's commitment to corporate social responsibility affect its reputation and employee morale?**



## Questions



### Influence on Policy and Regulation

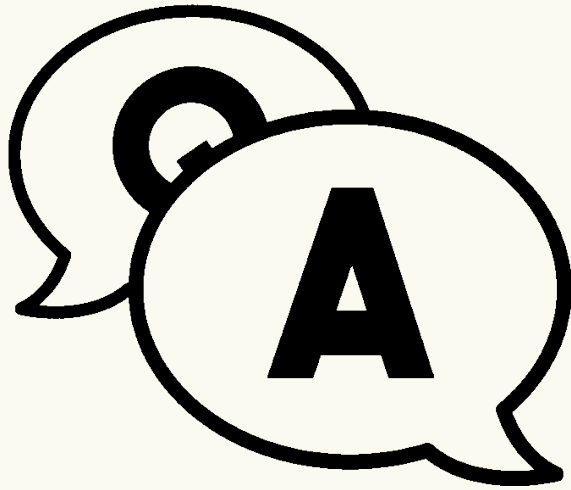
#### **Media Advocacy:**

**How does media coverage influence public policy and regulatory decisions that affect the company?**

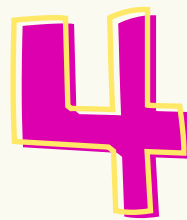
#### **Public Opinion Shifts:**

**In what ways does media reporting shape public opinion on key issues relevant to the company's operations?**





## Questions



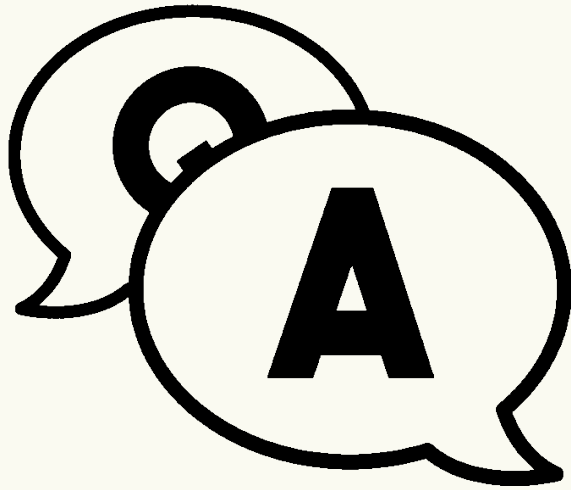
### Customer Behavior and Preferences

#### **Buying Patterns:**

**How do customer buying patterns influence inventory management and product offerings?**

#### **Feedback Utilization:**

**In what ways does customer feedback shape the development of new products or services?**



Questions



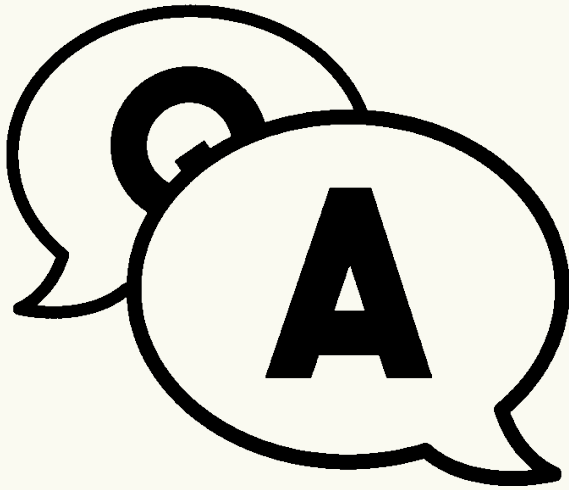
## Product Development

**Customization Needs:**

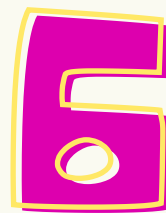
**How does customer demand for customization influence product design and offerings?**

**Trend Identification:**

**How do businesses identify and adapt to trends emerging from customer behavior and preferences?**

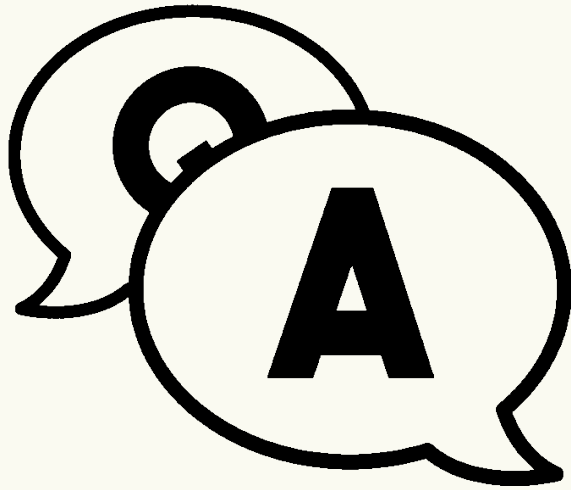


## Questions



### Suppliers

- How do fluctuations in supplier costs or reliability impact our production costs and pricing strategy?
- What is the impact of supply chain delays or shortages on our ability to meet customer demand?



## Questions



## Competitors

- How does competitor pricing or product innovation affect our market position and profitability?
- What impact does new competition have on our market share and customer retention?



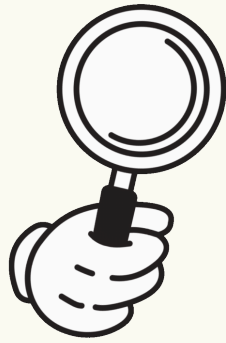
## Summary

This chapter discussed the definition of marketing environment in which its consist of microenvironment and macroenvironment. These environments directly and indirectly impact the business activity of every organization. To sustain in the marketplace, all business organization must overcome the impact by pursue the appropriate strategy to cater its.



## Key Terms

- Microenvironment
- Supplier
- Marketing intermediaries
- Company
- Public
- Competitor



## References

Kotler, P., & Armstrong, G. (2017). Principles of marketing (17th ed.). Pearson.

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## Philip Kotler quotes.

*"The aim of selling is to satisfy a customer need;  
the aim of marketing is to figure out his need"*

**LET'S THINK  
OUTSIDE  
THE BOX**

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