



# SNS B-SPINE

Coimbatore-35  
An Autonomous Institution

DEPARTMENT OF MANAGEMENT STUDIES

23BAT607 – MARKETING MANAGEMENT

I YEAR I SEM

UNIT 1 – INTRODUCTION

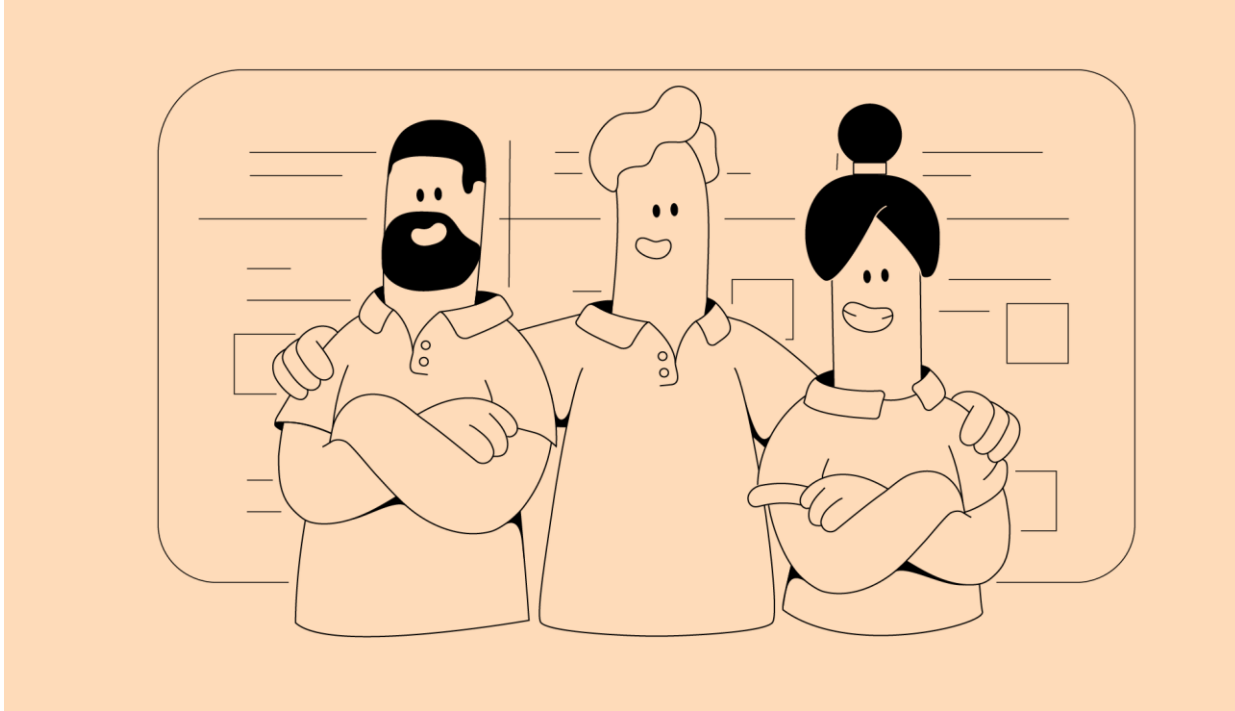
TOPIC 5 – Marketing Environment



# Marketing Environment

- The marketing environment refers to the external factors and forces that can influence a company's marketing activities, strategies, and its success.
- It encompasses both internal and external factors that affect a company's ability to reach and serve its target customers effectively.
- The marketing environment can be divided into two main categories:
  - Micro-environment
  - Macro-environment.

# Micro Environment





# Micro Environment

The micro-environment includes factors that are in close proximity to the company and have a direct impact on its operations and marketing decisions.

- Customers
- Suppliers
- Competitors
- Distributors
- Marketing Intermediaries
- Public

# Customers

- Customers are the focal point of any business. Understanding their needs, preferences, and behaviors is crucial for marketing success.
- Example: An online clothing retailer conducts surveys and analyzes purchase data to identify that their target customers prefer sustainable and eco-friendly fashion. They decide to source and market such products.

# Suppliers

- Suppliers provide the raw materials and resources necessary for production. The reliability and cost-effectiveness of suppliers are vital.
- Example: A smartphone manufacturer relies on suppliers of high-quality camera components. Any disruptions or quality issues from these suppliers can affect the company's production and product quality.

# Competitors

- Analyzing the strengths, weaknesses, strategies, and market positions of competitors helps in formulating effective marketing strategies.
- Example: A fast-food chain regularly monitors its competitors' pricing and menu offerings to stay competitive and adjust its prices and offerings accordingly.

# Distributors

- Effective distribution channels are essential for getting products or services to the market.
- Example: A beverage company may work with various distributors, such as supermarkets, convenience stores, and restaurants, to ensure its products are available to consumers in different locations.





# Marketing Intermediaries

- These include advertising agencies, market research firms, and public relations companies that assist in the marketing process.
- Example: A technology company may hire a digital marketing agency to manage its online advertising campaigns, optimize its website, and monitor its social media presence.



# Public

- Various public, such as the media, government agencies, advocacy groups, and the local community, can influence a company's image and reputation.
- Example: A pharmaceutical company may need to manage its public image, especially with regulators and health advocacy groups, to ensure positive perceptions of its products.

# Macro Environment





# Macro Environment

The macro-environment consists of factors that are broader in scope and typically beyond the company's direct control. Companies need to adapt to these external factors to thrive in the marketplace.

- Economic Factors
- Social and Cultural Factors
- Technological Factors
- Political and Legal Factors
- Environmental Factors
- Demographic Factors
- Global Factors



# Economic Factors

- Economic conditions, such as inflation, interest rates, and unemployment, can affect consumer purchasing power and behavior.
- Example: Car manufacturer offering lower-cost, fuel-efficient models in response to rising fuel prices, which affect consumer preferences and purchasing decisions.

# Social Factors

- Societal values, lifestyles, demographics, and cultural trends influence consumer preferences and marketing strategies.
- Example: A cosmetics company may adapt its product lines to cater to the growing trend of vegan and cruelty-free beauty products due to changing consumer values.



# Technological Factors

- Rapid technological advancements create opportunities for innovation, product development, and market disruption.
- Example: The rise of 5G technology opens up new possibilities for smartphone companies to offer faster internet speeds and enhanced features in their products.



# Political and Legal Factors

- Government regulations, trade policies, and legal requirements can impact a company's operations and marketing practices.
- Example: A tobacco company must adhere to strict regulations on packaging and advertising, including displaying health warnings on cigarette packages.





# Environmental Factors

- Increasing concern for environmental sustainability can influence product design, packaging, and marketing strategies.
- Example: A fashion brand may adopt sustainable sourcing, use eco-friendly materials, and promote recycling and reduced waste in its marketing campaigns.



# Demographic Factors

- Population size, age distribution, and other demographic variables affect market size and composition.
- Example: An investment firm may tailor its financial services and products to cater to the specific retirement needs of the aging baby boomer population.



# Global Factors

- International markets, global competition, and international trade agreements impact a company's global marketing strategies.
- Example: An electronics manufacturer may need to adapt its products and marketing to conform to different international standards and preferences in various countries it serves.



# Key Takeaways!