Paper –Marketing Management | Dr. James Hussain
Paper Code-MB-105, | Assistant Professor (Guest Faculty)
MBA, Sem-I | Email.-mbajames123@gmail.com

# Topic- Micro-Environment

Micro-Environment consists of actors in a company's immediate environment that can affect its ability to serve its markets. These actors are the company, its suppliers, its marketing intermediaries, customers, and public

The Actors of Micro-Environment

Six major types of actors which come in direct contact with an enterprises are:

a)Company

b)Suppliers

c)Marketing intermediaries

d)Customers

e)Competitors

f)Public

Company: The first actor of micro-environment is the company itself. The nature of business of a company will greatly affect its functioning. The mission and objectives of a company, and the top management's business philosophy will have a direct bearing on the marketing strategies of a company. If a company is into manufacturing industry, its marketing activities will be different from a company in the services sector. Similarly there will be a difference in marketing philosophy of a multinational company as compared to a small company owned by a family. The marketing strategies will also depend greatly on other departments of a company For eg. If a company has limited funds, then the finance department will press on increasing liquidity or selling goods on cash instead of credit. Similarly, production capability and capacity of firm will affect the ability of sales personnel to take order of a particular quality or a particular quantity.

Suppliers: The suppliers provide inputs to run a business. Suppliers can be of raw material, utilities, consumables or simply services. They can affect the company in various ways. The marketers must keep a watch on availability and price patterns of raw material and article component to run an enterprise. The marketing strategies may have to be modified at a very short notice. For e.g. if the price of raw materials is rising, the marketers have to raise their prices. If there is less availability of it the marketers should avoid jitm booking very big orders. Companies gain a lot of competitive advantage if they can manage the suppliers efficiently. A major cost advantage can be affected by a judicious materials management. This can be passed on to the customer to gain a rapid entry into the market. It may also be appreciated that the suppliers can be a very good part of the information system of a company.

Marketing Intermediaries. These are the firms which keep a company in promoting selling and physical distribution of good and services from company to their final customers or buyers. They include middlemen, physical distribution firms, marketing service agencies and financial intermediaries. The middlemen like agents, brokers, wholesalers, etc. can affect the distribution policy of a company. They are the channels for the company to implement their marketing plans. The whole sales associations are very strong in some areas and can force companies to change their marketing practice.

Customers: They are the one's for whom the entire marketing is done. Their role can hardly be underplayed because if the marketing strategies of a company are not suited to their needs, they can be rejected out rightly. The customers may comprise of consumers, industries, resellers, government, non-profit organizations and international customers. The strategies will differ for each type of the customers. So the marketing mix and promotion schemes must be suited to the needs of customers. For e.g. if a company announces a soap free with one kilo pack of a detergent, its consumers may feel this as an incentive, but the wholesaler may prefer to have one percent additional trade discount as an incentive.

Competitors: In the era of globalization of business, competitors emerge in a

company's micro-environment. The products are becoming homogenous and their life cycles are becoming shorter which calls for rapidly changing the strategies of companies. By increased product proliferation, the competition has set in at various levels such as the desired competition, generic competition, brand competition. For e.g. Pepsi and coke are fighting to sabotage the distribution channels of each other whereas their earlier competition was focused at brand level and market positioning.

Public: A public is any group that has actual or potential interest in or impact on a company's ability to achieve its objectives. It can facilitate or impede a company's ability to achieve its goals. So, a successful relation with the publics has to be managed to ensure success of the marketing activities. Their role is so important that entire company should make effort instead of just relying at public relations department Different types of Public include Financial public, Media Public Government public Citizen action public, Local Publics, General Publics, Internal Public.