Micro and macro component of marketing environment and its impact.

Different authors have classified the marketing environment differently. But basically marketing environment can be classified in two categories which are as follow:

- The Micro environment
- The Macro environment

The micro environment.

The microenvironment can be separated into the internal environment and the external environment. The internal environment consists of the firm’s own management structure, the organization’s strategies and objectives, and the departments within the company. The characteristics of the firm’s internal environment affect its ability to serve its customers. The external environment comprises suppliers, marketing intermediaries, customers, competitors and publics. As well as obvious groups such as shareholders, publics can also include local interest groups who may have concerns about the marketer’s impact on the environment or on local employment.

The microenvironment consists of following factors.
1. Intermediaries.
2. Customers.
3. Public.
4. Competitors.
5. Company.

The macro environment.

Larger societal forces that affect the whole microenvironment are known as the macro environment. These forces are of uncontrollable variables which the company must take care of and to respond it quickly because the global forces have huge impact on consumers and companies. The macro environment consists of following major forces which affect the whole micro environment of a company.

- Demographic.
- Economic.
- Natural.
- Technological.
- Political and legal.
- Cultural.

1. The demography.

The study of human populations in terms of size, density, location, age, gender, race, occupation and other statistics comes under the demographic environment. The demographic environment itself is affected by changes in the mix of age groups in the population. If the population becomes older, this will lead to rising demand for products and
services consumed by older people and a similar fall in demand for products consumed by younger people.

2. Economic.

The economic environment is important to marketers because it affects the amount of money people have to spend on products and services. One of the components of the economic environment is the distribution of income. Economies around the world not only vary in their absolute or total level of wealth but also in how their wealth is spread within the population. For example, poor countries may be classified either as those which have a highly unequal spread of wealth or those where it is more evenly shared. The former group of countries may be markets for luxury goods, despite the level of poverty. In contrast, the second type of country may be more attractive to marketers of inexpensive goods for the mass market.

3. Natural.

Natural resources needed as inputs by marketers or that are affected by marketing activities. This is important to marketers insofar as it is the source of many raw materials and fluctuation in supply can affect the prices paid for purchases. There is increasing pressure from public opinion as to where raw materials are sourced from, and their effect on the natural environment.

4. Technological.

Technological developments offer marketers both opportunities and threats. Although firms can offer customers a wider array of advanced products, changes in technology also mean that there may be more than one technical solution to a customer’s needs.

Increased technological development accelerates the speed of obsolescence. Marketers have to consider how their product may need to be developed over time, if it is to remain competitive.

5. Culture.

People’s opinions and tastes are shaped by the society in which they live. It should be noted that societies are not made up of homogeneous populations. They contain sub-cultures,
which are beliefs and values shared by smaller groups of people. Such groups may arise out of a common race, religion, social activity or hobby. Sub-cultures are important to marketers insofar as they may have different consumption habits from the rest of the population.

6. Political and legal.

Marketers are influenced by the regulatory environment. This has implications for their obligations to customers and the wider public. Customers are increasingly able to seek redress for faulty products, and those who live near manufacturing plants are able to claim compensation for pollution. The political environment around the world has recently favored the privatization of public companies. Such companies have also been able to compete more freely in the private sector. Political changes in Eastern Europe have also meant that these markets are now open to marketers from around the world.