

MARKETING MANAGEMENT

UNIT-1

PART-XVIII

Mapping the Marketing Environment

Mapping is an attempt to make the marketing environment more understandable and a better guide to the marketing efforts. The whole marketing system, for instance, in a consumer industry may be divided into six major elements.

They are:

1. Environment, i.e., Macro-environment.
2. Company as well as Competitor's Marketing Strategies.
3. Variables in Marketing Decisions.
4. Channels in Marketing.
5. Consumers Behaviour.
6. Sales and Cost.

Each of the division may further be sub-divided in order to make the map clearer and comprehensive.

Say, for example, macro-environment is sub-dividend into company's marketing strategy and competitor's marketing strategy. Both can again be sub-divided into five elements, i.e., (i) product characteristics, (ii) price, (iii) sales force, (iv) physical distribution and service, (v) advertising and sales promotion. Product characteristics and advertising and sales promotion may be directly linked with (i) industry sale, and (ii) market share. Similarly, advertising and sales promotion may first be linked with consumers behaviour and later with (i) company's sales, (ii) company's profit, and (iii) company's costs. To put it more candidly, we may state that:

1. The environment here is considered to be macro one which directly affects the company's demand and supply. Precisely these forces are: (i) population growth, (ii) per capita income, (iii) attitude towards the product and the company, (iv) availability of raw materials, and (iv) cost involved.
2. The company's and competitor's marketing strategies call for clearer, tactful and meaningful strategic plans and programmes.
3. The major variables in marketing decisions are: (i) product characteristics, (ii) price, (iii) sales force, (iv) physical distribution and service, and above all, (v) the advertising and sales promotion policies and programmes.
4. The major channels in marketing the products of a consumer industry may either be wholesalers and retailers; or sale agents and retailers; or sale agents, wholesales, and retailers, or own multiple retailing shops; or one which suits the best in the own chain retailing shops; or the given conditions.
5. The consumers' behaviour model, if needed, be prepared which may show consumers' responses to the marketing efforts and strategies adopted including that of distribution channels and the environment.
6. The total industry and company sales and costs be evaluated and strategies planned accordingly.

Marketing System and Environment

A system primarily conveys an idea of integrating various components into one whole. Accordingly, the marketing system integrates or links together the marketing concept and marketing process. It is true that a system might vary according to the changes in the concept and thus, in turn, will cause a change in the process too. This could be easily understood if one compares the conceptual change from product orientation to consumer orientation. The system itself might change due to changes in economic, social and cultural environments. To

cite an example, the abnormal increase in the number of working women has cause changes in food habits, and other needs. The demand for processed or semi-processed foods is on the increase. Mechanical equipment for easing kitchen work were luxuries in the past, but today these are absolute necessities. Therefore, in a sense, marketing system may be referred to as a socio-economic process.

However, there are conflicting opinions. Whether to consider the marketing system as a business activity in its narrow sense (referred to as micro-marketing) or to view it in its broader perspective (macro-marketing system). In most of the underdeveloped/developing economies, it is generally viewed only in the narrow sense. For them, it is only an arrangement for carrying out duties inside the firm effectively and efficiently.

The broader view, on the other hand, views the marketing as a system that correlates the firm and the society. Marketing activity, as we have learnt already, is meant for providing benefits for the whole society. In other words, progress of the society is dependent on the efficient marketing activities. It must be remembered that firms are scattered and the resources too. To ensure smooth flow of goods and services, the widely scattered factors have to be unified and coordinated for which concerted efforts are to be made by all the firms.

The above two views on marketing system are clearly explained in the following example. The marketing system of a small Indian village consists of a market square (market place), several tradesmen, a primitive transportation system and rudimentary storage facilities. The Western marketing, on the contrary, is characterised by a high rate of product innovation, keen competition, multiple instruments of marketing persuasion, complex channels of distribution and communication and sophisticated patterns of buyer behaviour. Hence, for them, market system is broad-based term.