

Basic Concepts of Marketing Management

Definition:

According to Philip Kotler, popularly known as the father of modern marketing, Marketing is "the science and art of exploring, creating, and delivering value to satisfy the needs of a target market at a profit."

"Marketing management is 'the art and science of choosing target markets and getting, keeping, and growing customers through creating, delivering, and communicating superior customer value.'- (Kotler and Keller)"

The American Association of Marketing define marketing management as "the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services in order to create, exchange and satisfy individual and organizational objectives."

Marketing Concepts or Marketing Management

Philosophies:

Marketing concepts or marketing management philosophies refer to the philosophies utilized by the businesses to direct their marketing efforts. Mainly, marketing concepts denote the philosophies a business uses to define and accomplish the needs of its customers, serving both the consumer and the company. The same philosophy cannot be helpful for all types of businesses. So, different types of businesses use different marketing management philosophies or marketing concepts.

There are mainly five marketing management philosophies but nowadays a new concept or philosophy is added to the existing ones.

1. Holistic Marketing Concept
2. Societal Marketing Concept
3. Marketing Concept

4. Selling Concept
5. Product Concept
6. Production Concept

Production Concept:

This concept is based on an idea that inexpensive and widely available products generate more sales because customers prefer those. This is quite similar to the Say's Law which states 'Supply creates its own demand'. So, companies produce the product on a large scale and make sure that it is easily available everywhere to the customer.

The large scale of production of the product helps the companies to avail the economies of scale which lead to inexpensive products and thus attracting more customers.

The drawback of this concept is that it focuses only on production but not on the product quality which in the long run may cause decreased sales if the product is not up to the mark.

This philosophy is only applicable when the demand exceeds the supply. Again, a customer is not always attracted to an inexpensive product because his/ her purchase decision may be influenced by other factors.

Applicability of this Concept:

- Companies who have a worldwide market for their products may apply this concept.
- Companies enjoying a monopoly advantage may use this concept.
- Any company whose product's demand exceeds its supply may follow it.

Product Concept:

This concept is based on an idea that customers prefer quality products whatever may be their price and availability. According to this concept, companies concentrate on developing a better quality product which is usually expensive.

The drawback of this concept is that it focuses only on the product quality but not on other factors like usability, availability, price, etc. So, it may fail to attract those customers whose attentions are on the other mentioned factors.

Applicability of this Concept:

- Companies belonging to the technology industry may apply this concept.
- Companies enjoying a monopoly advantage may use this concept.

Selling Concept:

Selling Concept is only concerned with selling the product whatever may be the quality of the product and need of the customer. The chief motive is making money, not developing a relationship with the customers. So, there is less possibility of repeated sales. Companies applying this philosophy can even deceive the customers to sell their products.

The drawback of this concept is that it lacks foresightedness because the companies focus on selling what they produce instead of focusing on the need of the market.

Applicability of this Concept:

- Companies only concerned with short-term profits follow this concept which may lead to marketing myopia, a situation where a company focuses only on selling a product instead of fulfilling customer needs.
- Dishonest or illegal companies may apply this concept.

Marketing Concept:

A company following selling concept cannot have long-term existence in the market because it cannot fulfill customers' needs. Companies have to make products fulfilling their customers' needs to be successful in today's era. So, the marketing concept came into existence. This concept is based on an idea that customers buy the products accomplishing their needs. Companies based on marketing philosophy perform customer-researches to know their needs and wants and make products to meet the same better than their competing companies. In this way, the company builds a customer

relationship, becomes profitable and earns goodwill. But still, many companies follow other philosophies and generate profits. The choice of the concept is totally dependent on the demand, supply, and the engaged parties' needs.

Applicability of this Concept:

- Businesses engaged in perfect competition may follow this concept.
- Businesses who want long-term existence in the market can apply this concept.

Societal Marketing Concept:

The societal marketing concept is based on the marketing concept just adding the philosophy of social welfare with it. Companies concentrate on fulfilling their customers' needs as well as contributing to social welfare without polluting or affecting the environment and natural resources. According to this concept, company or business being a part of the society has **corporate social responsibilities** such as eliminating illiteracy, poverty, controlling alarming population growth, ensuring better health and treatment facilities, helping victims of different natural calamities like flood, cyclone, excess cold, draught, etc.

Applicability of this Concept:

- Many big reputed companies like banks, TV channels, telecommunication companies, etc. follow this concept.

Holistic Marketing Concept:

The holistic marketing concept is newly added to the existing marketing management concepts. According to this concept, a business and its different parts are one single entity and have a common goal, aligned and integrated activities to achieve that goal. This concept focuses on meeting customer needs in a better and consistent way as well as performing the social responsibilities.

The holistic marketing concept is very important for brand building, consistency, efficiency, and effectiveness.

Applicability of this Concept:

- Many big reputed companies like banks, TV channels, telecommunication companies, etc. are now applying this concept.

Business people should have a clear and complete idea about the basic concepts of Marketing Management to achieve long-term success.

12 Steps From Product Concept to Manufacturing

The process of bringing a new product to market can seem long and daunting, and might be enough to put you off getting started. By breaking it down into 12 steps, you can see that it could be easier than you think to turn your great idea into a final product.

Step 1: Product Concept

This is where you begin to flesh out your basic idea. Think about what you want your product to be, what its use is, and who would use it. Create sketches and notes of your initial concept.

Step 2: Research

There are two important things to research at this stage: firstly, demand. If your product solves a problem, are a lot of people looking for a solution to that problem? Can you see a gap that is desperate to be filled? Secondly, are there products out there already that are similar to yours? If so, it doesn't necessarily mean your idea won't be a success, but how will you improve on what is already available?

Step 3: Product Design Development

At this stage, you can begin to develop your product design. There are a number of things you must consider here:

- Have a firm idea of your product's function

- Think about how strong and long-lasting your product will be
- How reliable is the product?
- What will the manufacturing costs be, and does this allow room for profit without a price that will put buyers off?
- Think about the complexity of manufacture, factoring in how many parts each unit is made from
- Is your product single-use, or long lasting?
- What are the materials needed for production? This point may require further research, so allow for this

Step 4: Research and development of the final design

Edit your designs as necessary. Include dimensions and materials, develop the designs to a high standard and include all vital details. If your product is comprised of multiple parts, try to keep these to a minimum to keep manufacturing costs down and speed up assembly.

Step 5: CAD

Computer-aided design. This process uses 3D rendering software in order to produce a computer model of your final design. This can help to reveal any potential issues that weren't evident from the product design itself. Take this opportunity to return to the final design stage and deal with any problems now.

Step 6: CAM

Computer-aided manufacturing. This is where you get to see a physical prototype of your product, manufactured by a computer-guided system.

Step 7: Prototype Testing

Make sure your testing is thorough and critical. Don't be afraid to be honest with yourself about any problems or flaws with your design, as it can only help

your end product be the best it possibly can. If you need to, go back to step 3 and work out the kinks.

Step 8: Manufacturing

If you made it through prototype testing without revealing any problems that need to be worked on, it's time to manufacture your product. There may be some further decisions to make here, such as materials, batch numbers, and the manufacturer itself. Think about what keeps costs low while maintaining the quality you want, so that you can maximise profits.

Step 9: Assembly

Important choices to make at this stage may involve further materials, such as glue. Keep costs in mind, but remember that using ineffective materials may negatively affect your eventual sales. Don't let the quality slip by cutting corners now.

Step 10: Feedback and Testing

Now your product has been manufactured and assembled, you can continue testing it rigorously. There are many ways to do this, from assembling focus groups to asking family and friends, but ensure you take note of feedback and allow free and honest criticism. Allowing for further development to continue improving your product is a sensible move.

Step 11: Product Development

Consider going back to your product development if you need to make important improvements or address any unforeseen issues, although your manufacturing company should have pointed out any serious problems before now. Don't shy away from taking the time to get your product just right.

Step 12: Final Product

Now you have successfully taken your product from concept to a polished final product, it's time to turn your attention to marketing, and the practical side of getting it into the hands of customers. The more you sell, the more you can afford to put into manufacturing larger batches, meaning a larger profit next time around!

10 Ways to Sell a Product

1. Selling on Your Own E-Commerce Website

Regardless of what you sell, you need a web presence to stay competitive. A professionally designed website makes it possible to sell your product through some of the additional methods we'll talk about below, but it also allows you to manage your own online storefront. Known as an e-commerce website, your brand's own store gives you full control over the design, layout and navigation, all of which affect the customer experience and help you sell your products.

You can go with an e-commerce website builder like Shopify or have a web developer set up your store for you. Either way, you need to make sure both your website and e-commerce store are accessible on mobile devices. This is called a responsive web design, and it's crucial for selling products online.

2. Selling on Other E-Commerce Platforms

Not ready to invest in a branded website just yet? You can use other e-commerce platforms to sell your products. Online marketplace eBay represents the pinnacle of third-party e-commerce sites since almost anything can be sold there. However, competitors do exist, especially for products that fall into certain niches. For example, handcrafted items are welcome on Etsy.

Using a third-party e-commerce platform is a great method for selling products if you don't have a significant start-up budget. These sites tend to be free to join, and they earn their money by keeping a certain percentage of each transaction. You also benefit from the traffic that these large platforms already enjoy and can take advantage of any payment protection policies, technical troubleshooting or mediation services that may be offered.

Finally, larger e-commerce platforms tend to have easy-to-use interfaces and mobile apps for sellers. The process of adding new products is streamlined in a way that might not be possible on your own e-commerce site.

3. Your Own Physical Storefront

A brick-and-mortar store is a dream come true for many sellers, and if you can find a great location, a physical storefront can serve as a selling method in and of itself. Imagine having a prime piece of real estate on Main Street in a small town. You can attract tourists and locals alike to stop in, as long as you make good use of window displays and outdoor signage.

Once you've convinced passersby to step foot inside your shop, you can use other creative display methods to direct their attention to popular items. Try point-of-purchase displays to help cross-sell related items, and always have seasonal displays themed on the latest holidays or events. Set up a special area for new products, too.

4. Selling Your Product in Other Stores

Ever wonder how new products end up on the shelves of large chain stores like Walmart or Target? It's often as simple as filling out a vendor form to alert the company's supply department that your product exists. If your product seems like one that its customers would buy, the corporation will contact you.

This represents an amazing opportunity because your product will be shown to millions of customers in physical stores and online. Your brand may also be featured in the company's print or TV advertisements. Associating your brand with a larger corporation also enhances your brand's credibility.

Once you've chosen any (or all) of the above methods to make your product accessible to buyers, you should see a small uptick in sales. But there's still a lot of work to do to meet your sales goals. Next, you need to build brand awareness through marketing and convince people to visit a store, whether in person or online, to buy your product.

5. Advertising on TV and Radio

The rest of our list of marketing methods will focus on internet strategies simply because of their relevancy, but TV and radio advertisements may still have a place in your marketing strategy. First, however, you need to identify

whether your target audience watches TV or listens to the radio often enough to make this method viable. Certain segments of the population stream their entertainment and get their news online, while others keep the TV on during the evening or listen to the radio while at work.

Neither way is better than the other, but in order to sell your product, you need to do market research to figure out which one is more likely to reach your target audience. You might think that everyone would want your product in an ideal world, but narrowing your focus makes it much easier to create targeted ads and enjoy a better return on investment. Wouldn't you rather shoot fish in a barrel or cast a single line out into a vast ocean? Marketing works the same way: Tighten your focus to get the results you want.

Once you've decided that TV and/or radio will work for your target audience, consider hiring a local marketing firm that specializes in creating high-quality segments that will fit your budget. Creating a reputable brand image is incredibly important, which means your advertisements need to have the same quality as well-established brands. The image and sound quality of TV and radio advertisements contribute just as much to the overall message as the words themselves, so choose carefully.

6. Using Pay-Per-Click Ads

Pay-per-click (PPC) ads appear all over the internet and help direct customers to your website. As the name implies, you only pay when someone clicks on the advertisement, which makes this a cost-effective method. However, you have to set up your website or landing page in such a way that it continues to convince leads to look at and buy your products.

Use Google Ads to create targeted campaigns that appear on relevant websites and in front of users who are most likely to click on your product. You can also use Facebook Ads to create a PPC campaign limited to the Facebook platform.

7. Search Engine Optimization (SEO)

Millions of websites exist, so how will people find yours when typing search queries into Google? Search engine optimization, or SEO, involves setting up your website in a way that encourages Google's algorithm to identify it as authoritative and relevant for certain keywords and topics. Thus, your website can rank higher on search results pages and your target audience can discover your products.

SEO strategies include adding keywords to titles, headings, meta descriptions, image alt text and throughout the page's content in a natural way; creating an internal link network from supporting pages to money pages; building authority through social proof, citations and backlinks; and addressing site speed and responsiveness.

A smart SEO plan also requires fresh content and rich text snippets, Google My Business optimization and continuous keyword tracking to analyze results and identify opportunities.

8. Engaging in Social Media Marketing

Having a website allows you to take advantage of strategies like PPC ads and SEO, but having a social media presence makes it possible to connect to buyers in a more personal and authentic way. Social media marketing allows you to showcase your company's core values, earn loyalty from current and potential customers, address some customer service complaints, aggregate reviews, stay top-of-mind among followers and generally build your reputation in a positive way.

As with TV and radio advertising, the quality of the content you post on social media makes a big difference in how people view your brand. Avoid stock photos, but make sure the pictures you take look stunning. Use hashtags and mentions to your advantage to be discovered by more people. Respond to comments and engage with followers, but develop your brand voice ahead of time so that you always respond appropriately.

Dozens of social media marketing platforms exist, and it's crucial to narrow your focus here as well. Where do your customers hang out? Although Facebook was once the hub of college students, today it's one of the best places to reach working adults. College students these days are more likely to be on Instagram or Snapchat, and even that might change as new social media platforms develop.

9. Email Marketing Method for Selling

Once you have a website, try to collect email addresses from visitors. You can either make this optional or choose to place your most valuable content behind a subscription wall. Collecting emails allows you to create an email marketing campaign to stay top-of-mind with potential customers, encourage existing customers to buy from you again, share discounts and promotions and seek feedback about your products.

Email newsletters do not have to be long-winded or complicated. In fact, short and sweet does the trick, as long as you include a clear call to action. For example, if you want people to visit a certain product video, you might briefly introduce the product and then include a colored button that links to the video and says, "See It In Action." If you want people to read a blog, introduce the topic and then have your button say, "Learn More Tips and Tricks."

Finding an ideal distribution frequency and learning how to write catchy email subject lines helps ensure that your emails are actually opened. However, email campaigns do tend to have low open and click-through rates, so collecting quality email addresses can help improve your success rates.

10. Content Marketing Beyond SEO

The final method for selling connects to many of the other strategies but is worth mentioning in and of itself. Content marketing involves creating written or visual material to educate, entertain or otherwise engage with your leads. Content marketing that focuses too heavily on promoting your products is not as effective as content that aims to provide value to the viewer, but it's wise to still have a call to action or link to your product pages within the text.

Content marketing directly supports your SEO efforts because "fresh content" in the form of blog posts, videos or image galleries tells Google's algorithms that your site is active and relevant. Having a large quantity of quality content on your site also increases the number of search queries your site will show up in, with more leads to your site resulting from more successful search queries. In addition, content marketing provides material to be shared on social media platforms and in email marketing campaigns.

Customer

In sales, commerce and economics, a customer (sometimes known as a client, buyer, or purchaser) is the recipient of a good, service, product or an idea - obtained from a seller, vendor, or supplier via a financial transaction or exchange for money or some other valuable consideration.

Marketing management process

The **marketing management** process goes through various stages to ensure the success of a **product** in an organization. A company is generally in the blind about any **new product**. In a tough business **environment**, with a customer who knows everything beforehand because of the presence of online portals and websites, it is tough to plan and launch a new product or a **marketing strategy**.

1) Conduct market research

The very first step in the marketing management process starts with conducting a **market research**. As previously mentioned, if a product is a new launch, then the company is likely to be in the blind for the future prospects of the product. They do not know what product the market **needs**, should they go for a new product or do a product extension, what will be the expected turnover increase from the new product, etc. Such questions are answered by market research. Thus, to even start thinking of launching a new product, market research is necessary.

2) Develop a marketing strategy

Before making a marketing **strategy**, you need to know the market. As market research has already been done, marketing **strategy** forms the second step in marketing management process. The marketing strategy takes several points in consideration.

Simple things such as **segmentation**, **targeting** and **positioning** are a part of Marketing strategy. However, tough things like deciding the **marketing mix** as well as getting the **positioning strategy** right are also involved. **Core competencies** like financials and production are also to be analysed during the marketing strategy stage. Taking all these things in consideration, a marketing strategy is formed.

3) Make a marketing plan

After marketing strategy, a written marketing plan is made. This is the third and a very important step in marketing management process. A written marketing plan is made to analyse where the company is and where it wants to reach in a given time period. The marketing plan actually puts the plan on paper and the marketer can anytime refer to the marketing plan to analyse whether he is on track or not. The marketing plan itself has some pointers which are most important.

Ad by Valueimpression

- Situation analysis – Business environment analysis, Internal analysis (SWOT analysis), USP's, core competencies.
- Strategic plan – A time related strategic plan outlining the pros and cons of the strategy.
- Financials – Sales forecasts. Expenses forecast. Working capital etc.
- Implementation – Operations. Customer loyalty. Brand building. Consumer behaviour. Product and pricing decisions.
- Follow up – After implementation, follow up is done to ensure marketing strategy is on track.

4) Feedback and control

Step 1, 4 and 5 are interrelated. Once a product is in the market, customers might give further ideas for the improvement of the product. These ideas are usually considered by the marketing department and a market research is conducted to find the validity of the ideas. If the idea is valid, another product can be developed or another marketing strategy implemented. On the other hand, if the product is not received positively, then the control mechanism needs to fall in place and implement an alteration process for the product or in the worst case scenario – take the product out of the market before it affects the brand.

The four steps above complete the marketing management process. With the world becoming a small place due to the advent of the internet, the marketing management process has become simpler. Feedback can be obtained online through simple questions, Marketing strategy can be changed by keeping an online brand watch and market research can be done through social networks. However, this does not change the gruelling process which traditional marketing companies like FMCG, Electronics and Automobiles have to adopt.

THE MACRO ENVIRONMENT

The Macro Environment consists of 6 different forces. These are: Demographic, Economic, Political, Ecological, Socio-Cultural, and Technological forces. This can easily be remembered: the DESTEP model, also called DEPEST model, helps to consider the different factors of the Macro Environment.



Demographic Forces in the Macro Environment

Demographic forces relate to people. The name refers to the term Demography. The latter refers to the study of human populations. This includes size, density, age, gender, occupation and other statistics. Why are people important? Because, on the whole, their needs is the reason for businesses to exist. In other words, people are the driving force for the development of markets. The large and diverse demographics both offer opportunities but also challenges for businesses. Especially in times of rapid world population growth, and overall demographic changes, the study of people is crucial for marketers. The reason is that changing demographics mean changing markets. Further, changing markets mean a need for adjusted marketing strategies.

Therefore, marketers should keep a close eye on demographics. This may include all kinds of characteristics of the population, such as size, growth, density, age- and gender structure, and so on. Some of the most important demographic trends that affect markets are:

World population growth

The world population is growing at an explosive rate. Already in 2011, it reached 7 billion, while being expected to reach 8 billion by the year 2030. By the end of the century, it is likely to double. However, the strongest growth occurs where wealth and stability is mostly absent. More than 70% of the expected world population growth in the next 40 years is expected to take place outside of the 20 richest nations on earth. This changes requirements for effective marketing strategies and should be kept in mind.

Changing age structure

The changing age structure of world population is another critical factor influencing marketing. In the future, there will be countries with far more favourable age structures than others. For example, India has one of the youngest populations on earth and is expected to keep that status. By 2020, the median age in India will be 28 years. In contrast, the countries of the European Union and the USA have to face an aging population already today. This may lead to harmful reductions in dynamism and challenges regarding the supply of young workers who, at the same time, have to support a growing population of elderly people.

Changing family structures

Also, families are changing which means that the marketing strategies aimed at them must undergo an adjustment. For example, new household formats start emerging in many countries. While in traditional western countries a typical household consisted of husband, wife and children, nowadays there are more married couples without children, as well as single parent and single households. Another factor comes from the growing number of women working full time, particularly in European nations. Together with further forces, changing family structures require the marketing strategy to be changed.

Geographic shifts in population

One – and the most important – element of geographic shifts is migration. By 2050, global migration is expected to double. This has a major impact on both the location and the nature of demand for products and services. The reason is that the place people can be reached has changed, as have their needs because of the new situations. Other important factors are the ethnic diversity that provides new opportunities, as well as urbanisation.

Economic forces in the Macro Environment

The Economic forces relate to factors that affect consumer purchasing power and spending patterns. For instance, a company should never start exporting to a country before having examined how much people will be able to spend. Important criteria are: GDP, GDP real growth rate, GNI, Import Duty rate and sales tax/ VAT, Unemployment, Inflation, Disposable personal income, and Spending patterns.

Socio-Cultural forces in the Macro Environment

The Socio-Cultural forces link to factors that affect society's basic values, preferences and behavior. The basis for these factors is formed by the fact that people are part of a society and cultural group that shape their beliefs and values. Many cultural blunders occur due to the failure of businesses in understanding foreign cultures. For instance, symbols may carry a negative meaning in another culture. To understand these forces, [Hofstede's cultural dimensions can be used: Power Distance, Individualism versus Collectivism, Masculinity versus Femininity, Uncertainty Avoidance etc.](#)

Technological forces in the Macro Environment

Technological forces form a crucial influence in the Macro Environment. They relate to factors that create new technologies and thereby create new product and market opportunities.

A technological force everybody can think of nowadays is the development of wireless communication techniques, smartphones, tablets and so further. This may mean the emerge of opportunities for a business, but watch out: every new technology replaces an older one. Thus, marketers must watch the technological environment closely and adapt in order to keep up. Otherwise, the products will soon be outdated, and the company will miss new product and market opportunities.

Ecological forces in the Macro Environment

Ecological, or natural forces in the Macro Environment are important since they are about the natural resources which are needed as inputs by marketers or which are affected by their marketing activities. Also, environmental concerns have grown strongly in recent years, which makes the ecological force a crucial factor to consider. For instance, world, air and water pollution are headlines every marketer should be aware of. In other words, you should keep track of the trends in the ecological environment.

Important trends in the ecological environment are the growing shortage of raw materials and the care for renewable resources. In addition, increased pollution, but also increased intervention of government in natural resource management is an issue.

Because of all these concerns and the increased involvement of society in ecological issues, companies more than ever before need to consider and implement environmental sustainability. This means that they should contribute to supporting the environment, for instance by using renewable energy sources. Thereby, businesses do not only support the maintenance of a green planet, but also respond to consumer demands for environmentally friendly and responsible products.

Political forces in the Macro Environment

Every business is limited by the political environment. This involves laws, government agencies and pressure groups. These influence and restrict organisations and individuals in a society. Therefore, marketing decisions are strongly influenced and affected by developments in the political environment.

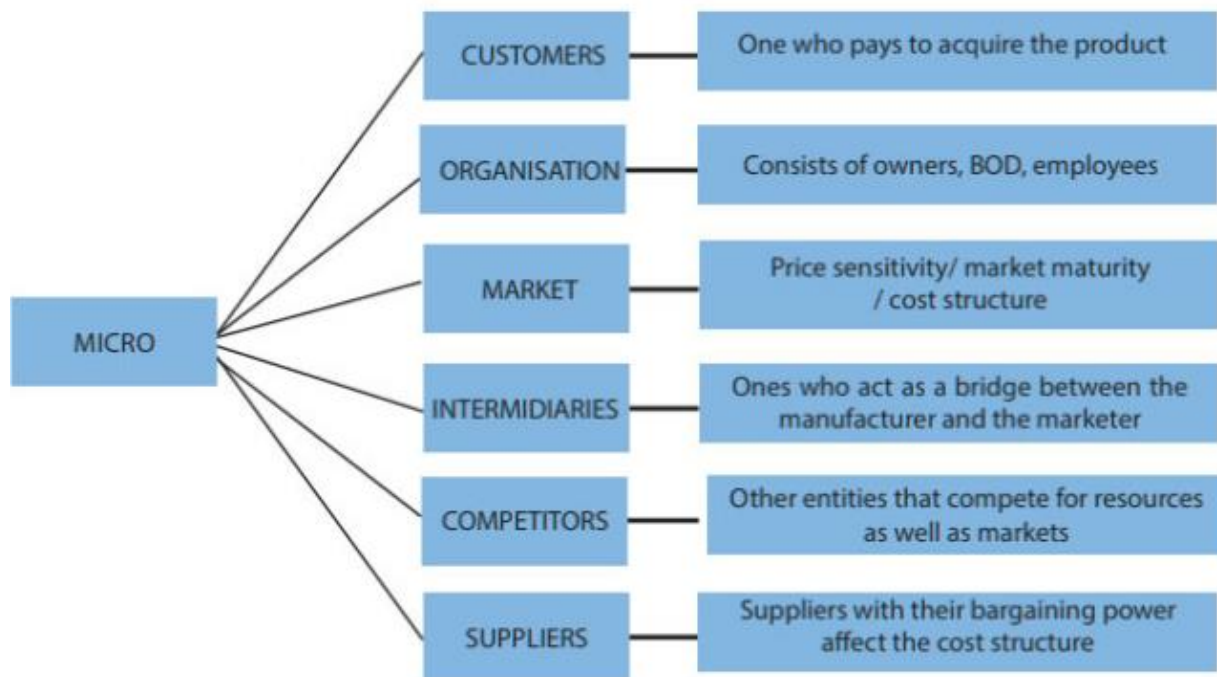
Before entering a new market in a foreign country, the company should know everything about the legal and political environment. How will the legislation affect the business? What rules does it need to obey? What laws may limit the company's ability to be successful? For example, laws covering issues such as environmental protection, product safety regulations, competition, pricing etc. might require the firm to adapt certain aspects and strategies to the new market.

Elements of Micro Environment

The micro environment relates to the immediate periphery of an organization and directly influences the organization on a regular basis. Hence, it is also known as the task environment. It is important for an organization to monitor and analyze all the elements of its micro environment like customers, competitors, etc.

Elements of Micro Environment

Let's take a quick look at all elements of a micro environment:



Customers and Consumers

Customers are people who buy an organization's products/services. In simple words, an organization cannot survive without customers. A consumer, on the other hand, is the ultimate user of the product/service.

For example, a husband might purchase a product for his wife. In this case, the husband is the customer and the wife is the consumer.

A successful [business](#) keeps a close watch on both customers and consumers of its products/services. It must monitor and track any changes in tastes and preferences of the consumer along with changes in the buying habits of the customer.

Competitors

Every business has competition. Competitors are other [organizations](#) that compete with each other for both resources and markets. Hence, it is important that an organization is aware of its competitors and in a position to analyze threats from its competition. A business must be aware of its competitors, their strengths and weaknesses, and the most aggressive and powerful competitors at all times.

Further, an organization can have direct or indirect competitors. When organizations are involved in the same business activity, they compete for both [resources](#) and [markets](#). This is Direct Competition.

For example, Pantene and Sunsilk shampoo [companies](#) are direct competitors. On the other hand, a five-star holiday resort and a luxury car company are Indirect competitors since they offer different products but vie for the same market.

Organization

One of the most important aspects of the micro [environment](#) of an organization is the self-analysis of the organization itself. It must understand its own strengths and weaknesses, objectives and goals of the business, and resource availability. The following

non-specific elements of an organization can affect its performance:

- Owners – People who have a major shareholding in the organization and have vested interests in the well-being of the company.
- Board of Directors – The board of directors is elected by the shareholders for overseeing the general [management](#) of the business and ensuring that the shareholder's interests are met.
- Employees – People who work in the organization are major contributors to its success. It is important that all employees embrace the organization's goals and objectives.

Market

The market is much more than the sum of all the customers. The organization must study the market in terms of its actual size, the potential for growth, and its attractiveness. Some important issues are:

- The cost structure of the market
- Price Sensitivity of the market
- Technological structure of the market
- The existing distribution system of the market
- The maturity of the market

Suppliers

Suppliers are another important component of the micro environment. Organizations depend on many suppliers for equipment, raw material, etc. to maintain their production. Suppliers can influence the cost structure of the industry and are hence a major force.

Intermediaries

Intermediaries are also a major determining force in business. Most customers are unaware of the manufacturer of the products they buy since they approach retailers, departmental store, [chain stores](#) or online stores for their purchases.

Solved Question on Elements of Micro Environment

Q1. List the important elements of the micro environment of an organization.

Answer: The important elements of the micro environment of an organization are:

- Customers and Consumers
- Competitors
- Organization
- Market

- Suppliers

- Intermediaries

Q2.Importance of product management

Q3.process of marketing management