

ORGANIZATION AND ENVIRONMENT OF MARKETING

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Keywords: marketing environment, environmental supervision, ambience factors

Abstract: the marketing environment was defined as som of all actors and forces outside the susceptible enterprise, affecting the manner of development and interferes with market changes. The enterprise is relating interconditioned with all ambient components, through which it's orienting and finalizing it's economic activity. The environmental supervision behavior is influenced by two groups of factors: Individual and organizational.

1. CONTENT AND TYPOLOGY OF ENVIRONMENTAL AMBIENCE OF THE ORGANISATION

The organizations function in an environment which is continuously changing, offering new chances, favorable opportunities, but also presenting new threats too, which are forcing the organization to a never ending adaptation to this changing ambience. This means learning the exterior environment and adapting it's own activity to it's behavior. Enterprise-environment has a multidimensional character, so, generally speaking the environment is the "sum of the dimensions of material-, technical-, institutional-, economical-, demographic-, social- and cultural- realities, what are forming the universe, in which the organization is situated and the forces of which are influenced by it, in a direct or indirect manner"[Serraf, G., 1985, p.106.]. The degree of adaptation to the external environment depends on the internal ambience of the organization, while it's success is result of a vision, pointed towards the inside from the outside, letting the needs and demands of the customers be fulfilled on a higher level, maintaining profitability in the same time.

As Ph. Kotler [Kotler, Ph.; Duboi,1992, p.130.] shows, a high performing organization is which has a "model based on four factors: beneficiary of the business, processes, resources and the organization", which forms the lines of force intersecting the internal and the external environment. Marketing environment enclose all the factors which can influence the organization's activity, so it was defined as "ensemble of all factors and forces outside of the organization, susceptible to affect the manner of evolving or just maintaining interaction on it's markets". [Kotler, Ph., Dubois, B., p.138.]

Organizations are open systems functioning in a given ambience, using a special ability of automatic self-adjusting, through inputs and outputs. The environmental ambience of the organization refers to components inside and outside of it, which - directly or indirectly – influence the obtaining of inputs and creation of the outputs.

It's known, that inputs in the system refers to the workflow-needed financial-, material-, human-, informational-resources, and the outputs can be goods, services, information, and ideas.

These organizations, embedded in the environmental ambience could be presented, as follows:[Macarie, F.C., 2004 (82), p.250.]

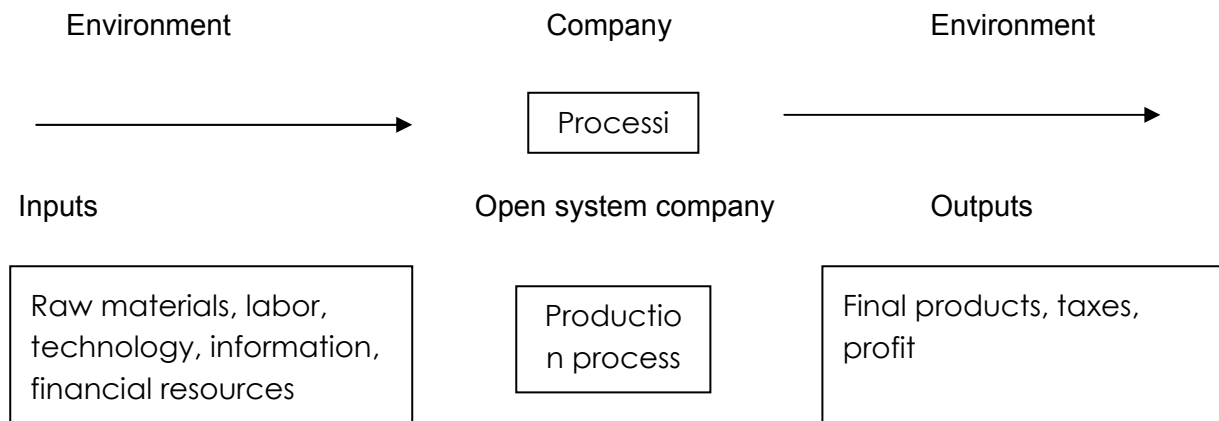


Fig.1.1. Company exchange with the ambient environment

Marketing environment of a producer is an exhibition-form of ambient environment and encloses the sum of forces and factors from the outside of the company, but in the same manner, the interior ones too, which have a direct impact on the production and the capability to promote and/or maintain efficient transactions on the target-markets.

The company-management is indebted to conceive marketing strategies, able to mark and clarify existing opportunities and avoid or eliminate encountered dangers or threats. To achieve this goal, the analysis and monitoring process of the environmental changes have to go on uninterruptedly, to detect the information related to the evolution of factors and forces of the ambience, and nevertheless to analyze the future activities and elaborate forecasts for these. Behavior of economical agents versus the activity of environmental factors can be *passive* – considering ambient forces out of our control - or *active* – starting from the conviction that all environmental forces can be modeled and influenced. The marketing environment of the enterprise can be studied through the prism of two basic concepts: incertitude and generosity (ability). Incertitude of the environment is given by it's complexity and dynamism [Ionescu, Gh., 1996, p.44.]:





		Degree of incertitude	
Dynamism of environment	Stable	Low incertitude - small number of similar elements - steady or slow-changing elements  I.	Moderate low incertitude - large number of similar elements - steady or slow-changing elements  II.
	Unstable	Moderate high incertitude - small number of similar external elements - fast and unpredictably changing elements  III.	High incertitude - large number of different elements - fast and unpredictably changing elements  IV.

Fig.1.2. Evaluation of degree of incertitude of the environment

Relation between environmental elements and their changing modifies the conditions of incertitude, and can cause:[Balaure, V. (coordinator), 2002, p.68.]

- stable environment, very rarely encountered;
- unstable environment, characterized by gradual and predictable changes, to which the company can accommodate;

- turbulent environment, characterized by sudden changes, difficult to accommodate to, sometimes does not survive.

Generosity or ability of the environment means it's attribute to support sustained demands; and stability through offering usable resources to achieve development and fortification of the company on the market. Environmental agents and factors act by different intensity having various impact on enterprise activity. Some factors influence through direct relations on the need of achieving company goals (organizational micro media), while others have an indirect, weaker and distant influence (forming organizational macromedia). The factors which shape micro media (specific ambience) and macromedia (general ambience) can be shown as below:

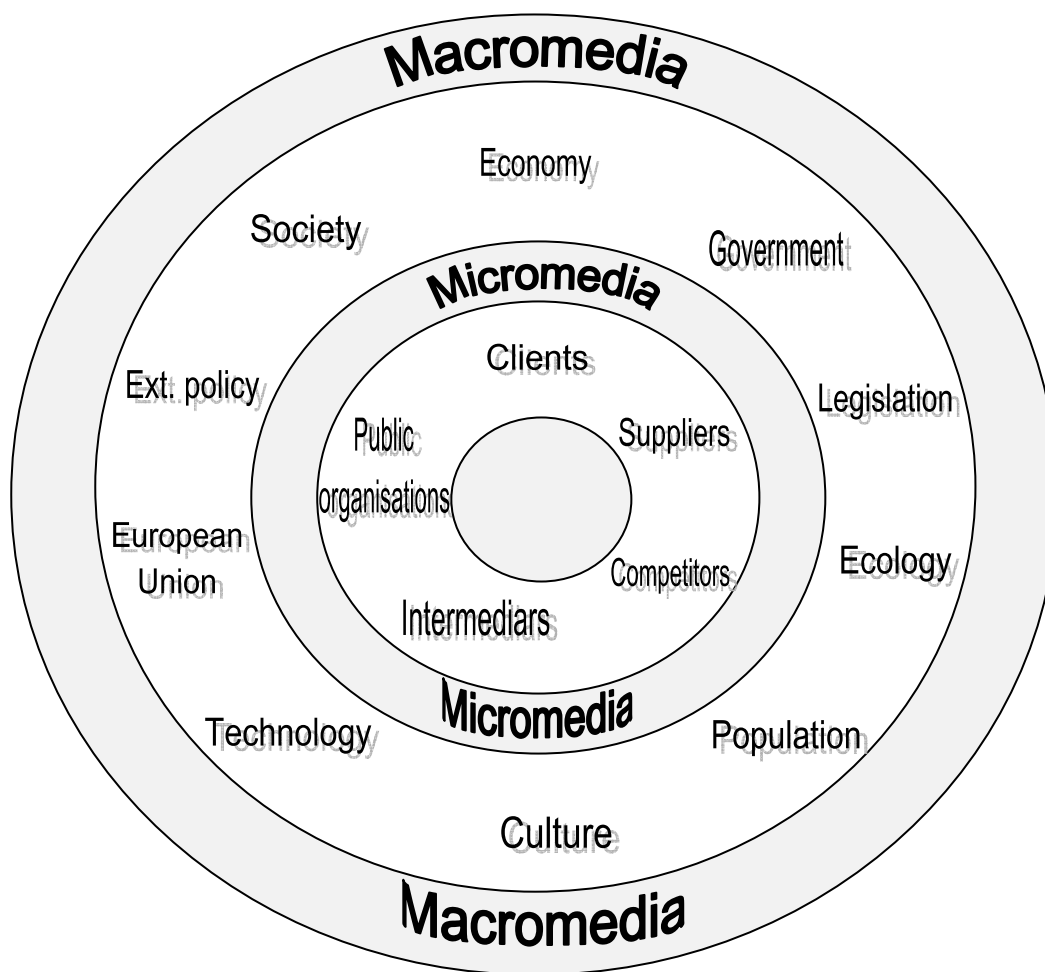


Fig.1.3. Factors of micro- and macromedia

As results, the environment includes all external elements of the enterprise, economical, technical, political, cultural, demographical, scientifically, educational, psycho-sociological, ecological and any other nature, which influence assignation of the objectives, obtaining resources and making decisions. The micro media factors influence the organization's activity in direct and powerful way, while the macromedia factors have a weaker impact, indirect and long-term effect. The analysis and knowledge of the enterprise environment ensure:

- satisfaction of the needs and claims of the demand carriers;
- elaboration of strategies and organizational politics;
- acquiring the needed resources (human, material, financial, informational);

- implementation of organizing-, informational- and decisional-subsystems.

The delimitation of micro- and macromedia becomes frequently very difficult; because the borderline is permanently changing, so an indirect factor can become easily a strong, direct one. Both, micro- and macromedia factors act not like self-standing closed systems, but mutually interact, influencing and being influenced by the organization.[Anton, V. 2006, p.38.]

2. RELATIONS OF THE ORGANISATION WITH THE EXTERNAL ENVIRONMENT

Component of the environment itself, the organization has interconditional relations with the other elements, through which orients and finalizes its economic activity. Relations between the company and the agents of its external ambience refer primordially to acquisition of goods and services, assurance of the financial and human resources, placing the company in a concurrent relationship with other enterprises having a similar profile. In addition, the organizations can have frequently relations of partnership, of cooperation or preferential ones, and so on.

a) Market relations of the organization refer to all components of a certain market :

- market of goods, where the organization has double-quality: buyer and seller;
- capital market, whereas the company acquires needed financial resources;
- labor market, recruiting source for the company's personnel necessity.

Typology of market relations is decided by a series of factors as: object, frequency, degree of concentration.

1. Related to object of relations, there are two types:

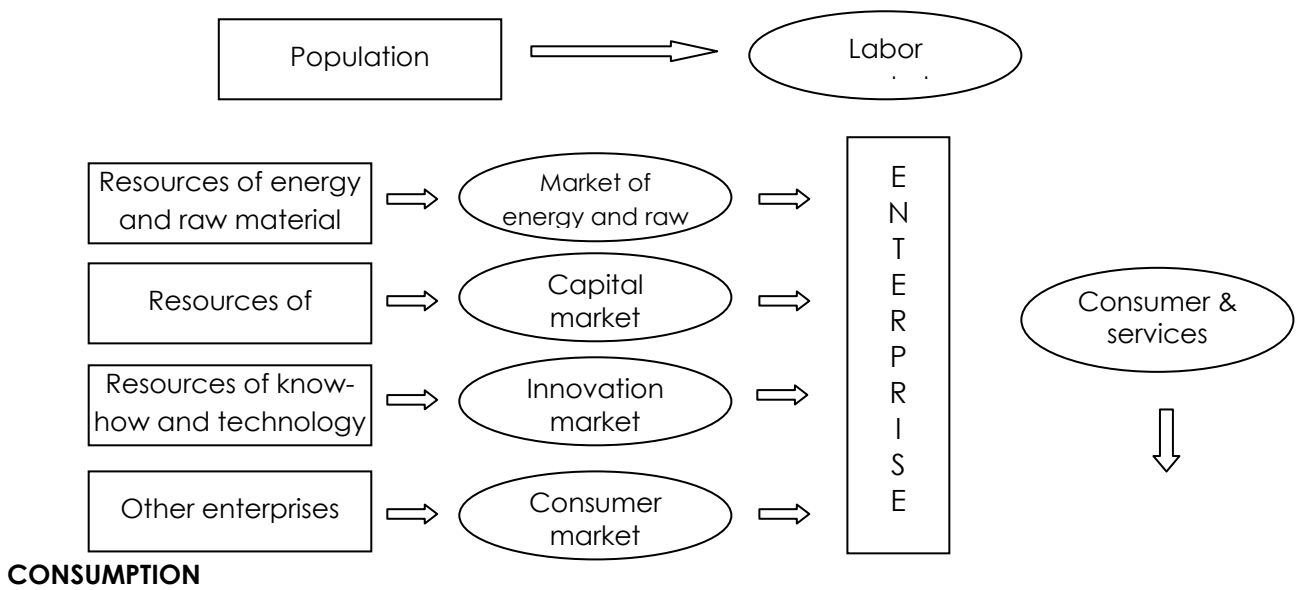
- selling and purchasing relations (delivery of goods, leasing, lending, services), known as *pre-contractual*, *contractual* and *post-contractual*;
- message- and information-transmitting relations (advertising, trade-mark, public relations).

2. Depending on the frequency of occurrence, relations can be *permanent*, *periodic* and *occasional*.

3. Degree of concentration of market relations decide their division in concentrated or scattered, depending on the delivery's dimension, longer or shorter time necessary to the process, concentration on certain places or zones.

b) Competitive market relations are those, established among enterprises on the market, and usually are confronting relations. The competition can be direct or indirect, depending on the target-market and the afferent demands.

1. Representation of market relations, which are established among enterprises and other organisations, clients, labour, etc., can be designated as follows:[Darbalet, M.; Izard. L.; Scaramuzza, M., 1993, p.35.]



CONSUMPTION

By: Darbalet, M.; Izard, L.; Scaramuzza, M., *Economie d'entreprise*, Les Éditions Foucher, Paris, 1993, p.35

Fig.1.4. The enterprise, in a changing environment

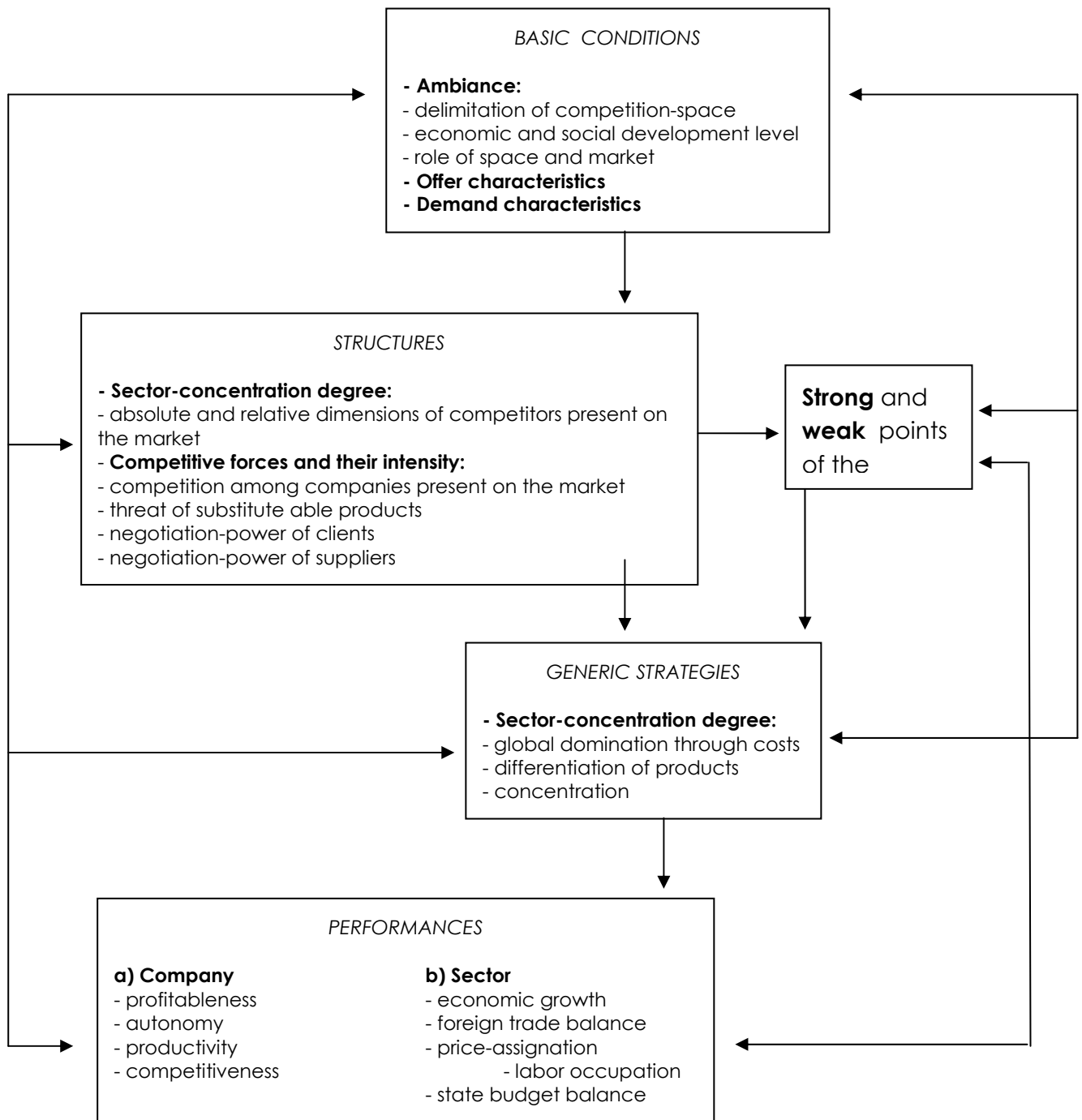
In order to define competition and monopole, two indicators are used: *number of economic agents on the product market and number of demand carriers*. (see Fig.1.5.) [Iancu, A., 1992, p.44.]

Offer / Demand	Large number	Small number	Oneness of the enterprise
Large number	Perfect competition	Oligopoly	Monopole
Large number	Oligopsonie	Oligopoly	Monopole
Oneness of the enterprise	Monopsonie	Monopsonie	Bilateral Monopole

By: Iancu, A., *Tratat de economie, vol.III, Ed. Expert, Bucuresti, 1992, p.44.*

Fig.1.5. Competition and monopole indicators

The competition space in order to assure the functionality of an organization [Arena, R.; de Bandt, J.; Benzoin, L.; Romani, P.M. 1989, p.14.] is constituted of a series of relations, as shown in Fig.1.6.



By: Arena, R.; de Bandt, J.; Benzoin, L.; Romani, P.M., *Traité d'économie industrielle, Economica, Paris, 1989, p.14.*

Fig.1.6. The competition space

The relations among competitive enterprises inside the limits of lawfulness means loyal competition. Competition involving breach of law is unfair, disloyal competition, having a few possible shapes:

- illicit competition (non-payment of taxes, fees and rates);
- usage of dumping prices;
- disparagement of competitors.

Prosperity and success of the organization are conditioned by the surrounding environment, because it has to foresee and use in its best interest the changes and dynamics -sometimes turbulent- of the ambience. Environment-analysis means study of the factors and forces, the relations among them, and their potential impact on the organization. Analyze and forecast of the dynamics of the ambience are the base of strategic planning; and the marketing specialists can and must ascertain a positive influence on enterprise-management.

3. SUPERVISION OF THE ORGANISATIONAL ENVIRONMENT

The anticipation involving a certain probability, or, even the impossibility of stating a forecast, regarding the evolution of the market being analyzed, are caused by a series of factors, the effects of which can not be precisely evaluated, even using the most complex methods of statistics and mathematics, because of the random characteristics of the market-universe.

Supervision and research of the organizational environment applies a hard teamwork, given the fact, that the results would be useful not only for the implementation of marketing decisions, but also for preparation of strategically planning of the enterprise. The goal of the supervision and investigation of the environment are to discover and understand the extreme forces which affect-or can affect-the enterprise's activity, in order that the management could react having adequate answers to improve the company's position in the competition.

The supervision of the organizational environment offers the possibility to identify the threats and opportunities, ways of taking advantage in competition and improving the enterprise's capacities. Supervision of the environment contains searching and collecting the information, but also their processing and analyzing too.

Supervising behavior of the environment by the organization is influenced by two large groups of factors.[Nistorescu, T.; Sandu, A.; Barbu, C., vol.VI/2004(81), p.450]

a. Individual factors:

- attitude towards information – means the importance accorded to this activity by the object of the information;
- exposition to information – means frequency of contacts with information sources or informed people.

b. organizational factors:

- informational climate – marks the sum of conditions which assure the access to information, and their employment inside the enterprise, based on the existence of a proper organizational culture, and on specialized people in the domain;
- organizational opening – referring to the capability of the enterprise to react and adapt to environmental changes and to external influences, and also to influence its environment.

A matrix-shape model of environmental supervision can be shown in function with ambience analysis degree and organizational involvement, as follows [Daft, R.L.; Weich, K.E., ", 9, 1984.]:

Active	Non-directional supervision	Conditioned supervision
Passive	Tested supervision	Active supervision
Company approach	Non-analyzable	Analyzable
	Degree of environment analysis	

By: Nistorescu, T.; Sandu, A.; Barbu C., works. p.452

Fig.1.7. Model of external environmental supervision

Non-directioned supervision is characteristic to organizations which apprehends the environment as un-analyzable and don't interact in order to understand and use of conclusions.

Conditioned supervision is characterized by the company's passive behavior towards it's ambience, though considered analyzable. In this case both, internal and external important information are used, so the decisional process is formal, according to a package of standards resulted from the organization's experience.

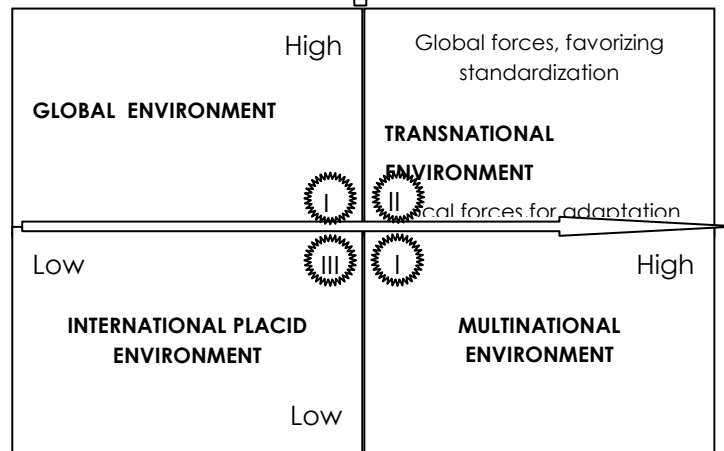
Tested supervision is made by those companies, which consider the environment unusable, but wants to influence it, the un-analyzable elements and the results too, aborting a new behavior to chive new objectives and methods of work. They obtain information by subsequent observation of the events, introducing a new component in their ambient behavior. For instance, a new product is launched on the market, based on own estimation, without studies or researches of acceptance on the market of that new product.

Active supervision happens when the company considers the environment analyzable and tries to react actively in order to obtain very precise information. Usually, active supervision is realized by an own environmental observation department, which elaborates activity-reports, studies of market-state analysis, conjuncture- and trend evaluations, and so on. Features of a complex and turbulent environment in the era of globalization, force the companies to solve the dilemma regarding the supervision of the environment: the ambience seems hard to analyze through the prism of density and ultra-fast changes, but, in the same time, the need of influencing of the environment in a pro-active way is an assessment. The transformations on the level of logistics and communications make accessible to anyone to sell, buy, activate and cooperate on a global level. Every single enterprise finds itself on a global market, even if it activates on a local market, without export-import operations.

From this perspective, the analyses of international environment is a command, reporting to two dimensions:

- global forces (buy and sell behavior, potential of scale-economies, competition, etc.);
- local forces (cultural diversity, local regulations, features of distribution-nets)

These two dimensions can have a high or low level, permitting to build some indexes, as in fig. 1.8.[Lambin, J.J., 1994, p.58]



By: Lambin, J.J., works, p.58, quoted in Ristea, A. (coord.), works, p.56

Fig.1.8. Analysis of international environment

Depending on the type of environment, the organizing of the enterprise must have specific features, as below:

- I. global organization (centralization of liabilities) in global environment, meaning global forces in favor of standardization are strong, and uncompensated by local forces (for instance: high-tech sectors)
- II. international de-centralized organization in multinational environment, dominated by local particularities of each country, zone (for inst.: food-industry)
- III. without a dominant organization, when international environment is placid, global and local forces are weak (for inst.: metallurgy, cement industry)
- IV. with a certain amount of centralization or coordination, and with maintenance of strong local organizing, which applies in the transnational environment, featuring pressure of standardization forces and local forces (for inst.: some beer trade-marks, or vehicle industry with a global distribution)

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