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THE IMPORTANCE OF STUDYING THE FACTORS OF THE MARKETING ENVIRONMENT FOR WHITE SEA BUCKTHORN PRODUCERS

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Abstract. Economic agents, as well as other organizations and institutions, carry out their activity and promote their interests in a complex and dynamic environment. Enterprises, for example, are entities that form open systems, connected to a given environment, that have system inputs (inputs), system outputs (outputs) and a specific mode of self-regulation. The entries in this system consider different categories of resources necessary for carrying out the activity, such as material, personnel, financial and informational resources. Outputs from the system can be goods, services, ideas or information.

In general, the company's environment includes those components from outside an organization, which, directly or indirectly, influence, on the one hand, the process of acquiring inputs, and on the other hand, the process of obtaining and then sale of outputs.

In the case of a white sea buckthorn producer, the marketing environment represents a form of manifestation of the environment that designates the set of forces and factors from its exterior that, directly or indirectly, influence its activity and, in particular, the ability to promote and support effective exchanges on the markets in which they operate.

The aim of this paper is to identify the factors of the marketing environment that influence the activity of white sea buckthorn producers and ways to avoid negative actions on these economic agents. To achieve the aim, the following tasks will be carried out: identification and analysis of internal environmental factors; identification and analysis of the external environment; identification and analysis of the linking environment.

Keywords: *marketing environment of the enterprise, internal environment, microenvironment, macroenvironment, market relations, competition relations.*

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Introduction

The performance of an enterprise is influenced by its ability to integrate into its environment, the effectiveness of its actions in exploiting opportunities, its ability to cope with adverse situations and the risks it faces.

An analysis of a number of ways of defining the environment enables us to identify the elements that a company should take into account in order to behave appropriately in relation to its environment.

The environment can be seen as "a set of factors making up a complex, heterogeneous structure; factors of an economic, social, cultural, legal, political, demographic, environmental, etc. nature". It is "made up of a network of exogenous variables to which it opposes its own resources - human, material and financial, respectively, a set of endogenous variables".

Three characteristics of the environment can be identified in these definitions:

- the environment has a complex character, being made up of a set of factors of diverse nature.

It is necessary both to identify them and to obtain information on their characteristics and developments.

- the environment is a system. There are many interconnections and interlinkages between environmental factors and an integrated approach is needed. Attention should be focused on events and phenomena that occur as a result of changes in the environmental factors as a whole.

- the environment is made up of subsystems that can be identified according to the level of aggregation at which the analysis is made. Thus we can distinguish: the micro-environment (factors directly affecting the ability of the enterprise to achieve its objectives) which includes the five forces that make up the structure of the competitive system (current competitors, potential competitors, substitutes, suppliers and customers); the macro-environment (factors affecting the activity of all the components of the micro-environment) which includes the economic, technological, demographic, socio-cultural, political and environmental environment, etc.; the single-environment where the analysis is carried out at international/global level.

In order to base the strategy, it is necessary to know the level of uncertainty, dynamism and complexity of the environment. The uncertainty of the environment makes it difficult to predict future phenomena because of their dynamism and complexity. The higher the level of uncertainty, the more dynamic and complex the environmental conditions. The dynamism of the environment is determined by the intensity and frequency of change. The complexity of the environment is determined by the diversity of influences on the enterprise and the interconnections between influencing factors. For example, if political changes, availability of natural resources, changes in purchasing behavior and changes in consumer lifestyles are closely linked, understanding their combined influences is more difficult.

Domestic and foreign literature sources are used to assess the marketing environment for agricultural and agri-food products including white currants, and a systems approach is used to study market phenomena as influencing factors on the agricultural enterprise.

Results and discussion

The enterprise can be seen as a systemic and self-organizing body operating in an external environment. The marketing environment can be defined as a totality of active subjects and powers that influence the possibilities of the enterprise management to create and maintain successful collaborative relationships with target customers.

Speaking about the role of the marketing environment, Philip Kotler said "the marketing environment is made up of opportunities and principles of knowledge and influence capability, on this environment depends the success or failure of the enterprise in the market". That is why any agricultural enterprise must know the physiognomy of the environment and adapt to changes in it.

This environment is conditioned by a series of factors: economic and social, political and legal, demographic and ecological, etc. These factors determine the existence and action of environmental variables which can be classified as endogenous and exogenous.

The main forms of marketing medium that can be found in the economy are:

1. stable environment - it is specific to periods of economic calm (when the evolution of economic phenomena and processes is slow, easily predictable), it is a type of environment to which the enterprise can adapt most easily, it is the rarest type;

2. unstable environment - is characterized by rapid and not always predictable changes; facing this type of environment requires initiative, the ability to take a certain risk and the ability to adapt. It is generally found in developed economies which are characterized by a more stable economy;

3. turbulent environment - this is an environment which is generally hostile to entrepreneurship because it poses many difficult problems, changes are rapid and unpredictable, it requires a great deal of courage and initiative on the part of the enterprise, and many enterprises do not survive in this environment and go bankrupt. It is characteristic of periods of transition or unfavorable cyclical developments (recessions, crises, etc.).

The marketing environment of the agricultural enterprise is the totality of factors, agents and types of behavior within and under the influence of which it operates. The concept of the enterprise's marketing environment covers a system of elements and factors of a very different nature - political, economic, social, technical-scientific, geographical, legal, etc. - which are constantly acting on the economic agent.

The factors do not act with the same intensity on the company's activity: with some of them, the company is in direct contact with the factors required to achieve its business objectives, and they influence each other; with others, relations are more distant, weaker, and their influence is usually indirect. These factors acting on the enterprise can also be divided in terms of the level of control into controllable factors, which are factors controlled by the enterprise and its marketing collaborators, and uncontrollable factors, which contain all the elements acting on the activity of the agricultural enterprise, but cannot be controlled by it, the enterprise can only adapt to them (Figure 1).

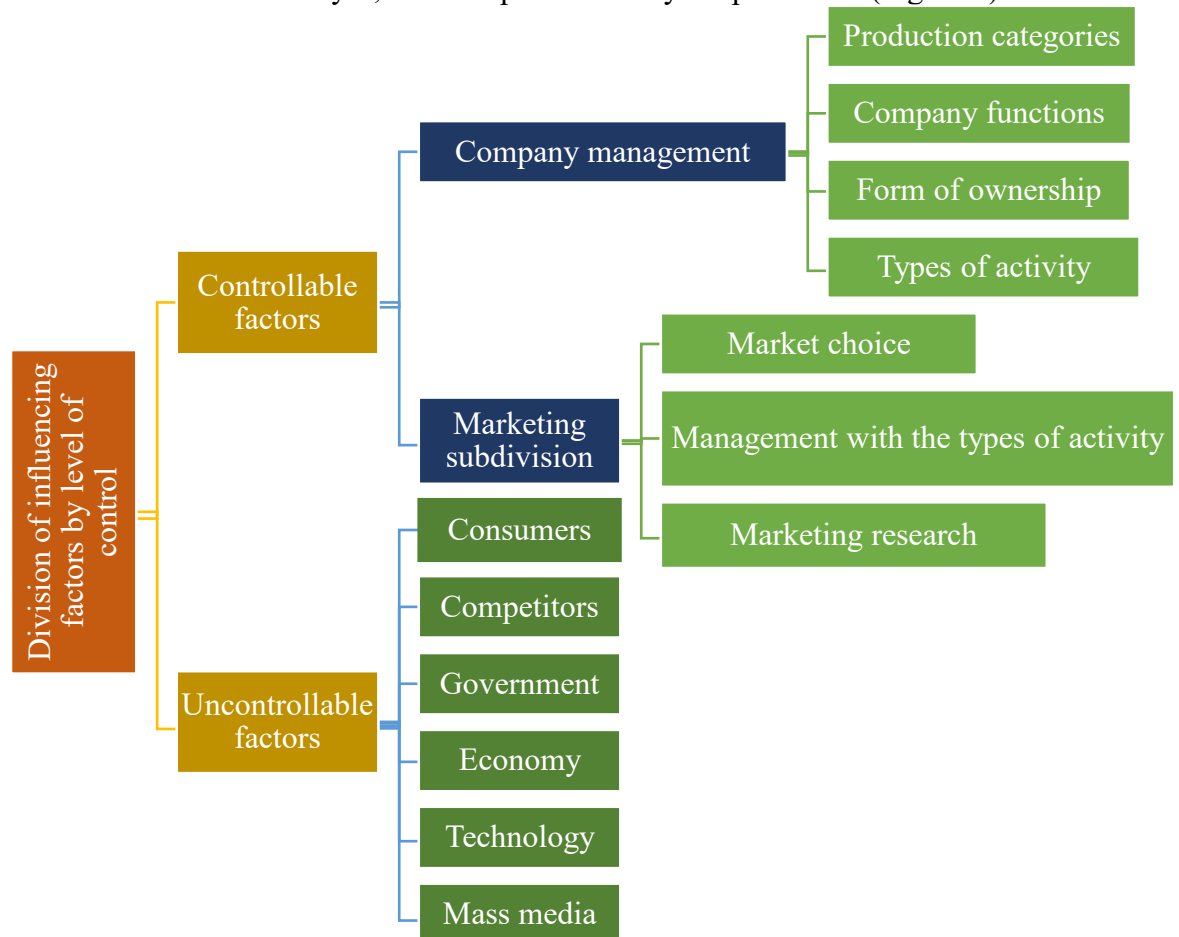


Figure 1. Composition of factors influencing farm business activity by level of control

Source: prepared by the authors

The conventional marketing environment can be divided into 5 blocks (Figure 2):

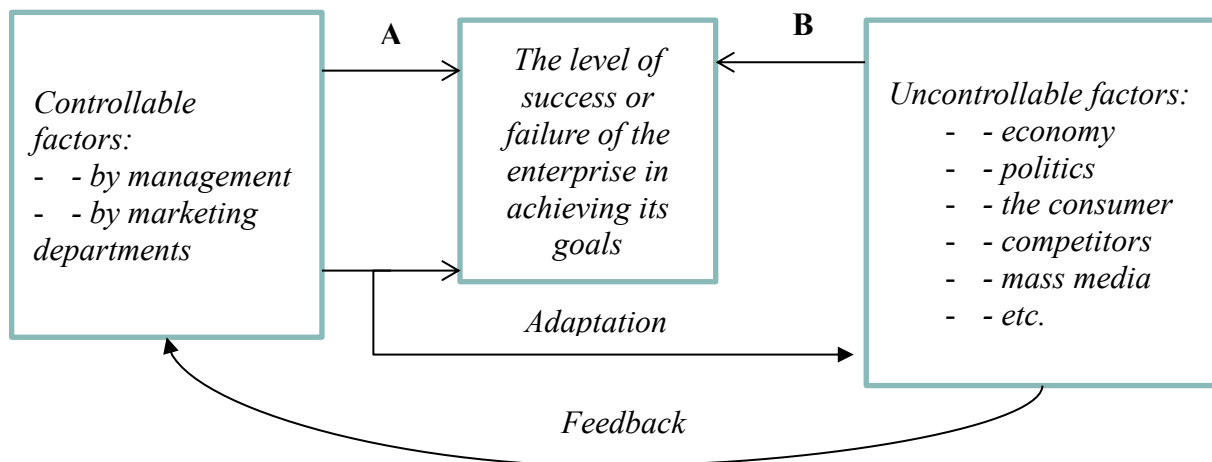
1. Controllable factors. Controllable factors are those factors (internal environmental factors) which are controlled by the company and its marketing specialists. A number of interrelated decisions are taken by the top management of the company, and then these decisions are implemented by the marketing management. Taken together, these factors form the marketing strategy that is the basis of the enterprise's strategy;
2. Uncontrollable factors. The uncontrollable factors include external environmental factors. These, by their action, also act on the result of the enterprise, but they cannot be directed or influenced by the enterprise;
3. The level of success or failure of the enterprise in achieving its goals. The enterprise's supply on the one hand and the influence of the uncontrolled external environment on the other determine the level of success or failure of the enterprise in achieving its goals;
4. Inverse linkages. Occurs when the enterprise tries to pursue the uncontrollable factors by assessing their weaknesses and strengths;
5. Adaptation. Represents changes in marketing and business plans that are made in order to adapt to the uncontrolled environment. If the company is unwilling to look at its environment from

the position of the step-by-step approach, the likelihood increases that it will lose its sense of perspective and not achieve the desired results.

The marketing environment of the agricultural enterprise comprises three components: internal environment; the external environment (micro-environment and macro-environment); the link environment (link relationships).

The first component of the farm business marketing environment is the internal environment. The internal environment is made up of all the elements that ensure the achievement of the enterprise's business purpose and represents the dynamic content of the synergistic effect of the assembly of the enterprise's resources such as human, material, financial and information resources. Thus, the main factors influencing the agricultural enterprise from within are:

1. Production potential - productive capacity, operating time and cost of inputs, production capacity, level of automation, innovation efficiency, etc.;
2. Products - types of products, assortment of goods, quality of output obtained, price, etc.;
3. Marketing - marketing organization, marketing capacity, company reputation, supply-demand ratio, marketing mix efficiency, etc.;
4. Supply - supply organization, supplier structure, storage capacity, etc.;
5. Location - distance to markets, level of development of adjacent infrastructure, etc.;
6. Costs - supply costs, production consumption, trade costs, etc.;
7. Financial component - financial capacity, cost, availability and share of equity, cash flow, financial stability, credit availability, profitability, etc.;
8. Personnel - number, qualifications, professional skills of the workforce, etc.;
9. Management - organizational capacity, leadership style, organizational flexibility, visionary leadership, delegation of responsibility, etc.



A – enterprise offer; B – influence of uncontrollable factors

Figure 2. The environment in which the enterprise operates

Source: Prepared by the authors

The second component of the farm business marketing environment is the external environment. The concept of external marketing environment encompasses a set of economic, social, political, scientific-technical, legal, geographical, demographic, etc. factors that act on the enterprise and strongly influence its market relations. Depending on the nature of the relations between the enterprise and the components of the external environment, and on the enterprise's ability to influence these components, a distinction is made between the micro-environment and the macro-environment of the agricultural enterprise.

The components of the external environment with which the enterprise enters into direct relations determined by the need to achieve its objectives are called the micro-environment of the enterprise.

Essentially, these components can be controlled to a greater or lesser extent by the enterprise, some of which it can dispense with. The factors that make up the micro-environment of the enterprise are:

- suppliers of raw materials and materials - are the producers who supply the company and its competitors with raw materials and materials needed for the production process. They may be natural or legal persons with whom the enterprise enters into a relationship to ensure its production needs;

- service providers - these provide various services to the enterprise against payment;

- labor suppliers - these are employment agencies, educational institutions or individuals who are looking for work on their own;

- customers - is the most important element of the microenvironment because it is the customers that the company's products are aimed at. The customers to whom the farm with its products is addressed may form certain distinct markets, namely: the market of individual consumers who buy the farm's products for their own needs (individuals, families consuming white sea buckthorn fruit and products); the industrial market made up of economic operators who buy the farm's products in order to create new products and services (catering businesses, pharmaceutical or cosmetics manufacturers - consumers of white sea buckthorn fruit for the preparation of various dishes and the production of pharmaceutical or cosmetic products from substances extracted from white sea buckthorn fruit); the intermediate market made up of economic operators who buy the farm's products for resale (retail businesses sell fruit and white sea buckthorn products in order to diversify their range of goods, but also in response to consumer demand); the government market made up of state institutions and enterprises which buy the farm's products for state needs (schools, kindergartens, hospitals which use fruit and white sea buckthorn products as food or as a remedy to treat illness); the international market made up of international customers when the farm's products are sold abroad and these customers abroad may be part of one of the markets as well as within the country (individual consumer market, industrial market, intermediate market and government market) depending on with whom the farm establishes relations.

- competitors - are businesses that come to market with the same products or services or offer alternatives to satisfy one and the same need. Competitors may have different positions in the market (leaders, innovators, conservatives, shy, etc.) and are distinguished from each other by: the role they play in the market in relation to customers; their attitude to what is new; their forms of communication with consumers; their style of market intervention. In the case of the white currant company, its competitors may be other companies producing white currants, as well as companies offering alternative ways of satisfying needs in the components contained in white currant fruit and products
- producers of raspberries, blackcurrants, etc.

- public bodies - are components of the micro-environment only when the agricultural enterprise comes into contact with these bodies. They are any grouping that has an actual or potential interest with an impact on the organizational capacity to achieve the enterprise's objectives. They include:

1. Financial bodies influence the ability of the enterprise to obtain funds for the conduct of business and are represented by: banking institutions, investment companies, insurance companies, shareholders, etc.

2. Media institutions include organizations that disseminate news, opinions through: newspapers, magazines, radio, television, etc.

3. Citizen associations represented by organizations such as the consumer movement, environmental groups, minority groups, etc.

4. Government institutions to which the company has legal obligations, such as: tax authorities, customs and justice authorities, etc.

5. Local public bodies, represented by community organizations, neighborhood residences, etc.

6. General public attitude or the general public, even if it does not act in an organized way, the public image of the company is of direct and immediate importance in the local environment, and when this image suffers, the negative effects on the company's activity are not long in showing.

The components of the external environment with which the enterprise has an indirect relationship are called the enterprise macro-environment. Within this macro-environment are variables that the enterprise cannot control itself and cannot change, but must be aware of and adapt to their requirements.

The factors that make up the macro-environment of the agricultural enterprise are numerous, and are grouped according to their relationship and also referred to as environments. Thus, the macro-environment is made up of:

- demographic environment - refers to the population in the area of activity of the farm. It must know: population size, social structure, gender and age structure, family size and structure, birth and death rates, ethnic groups, etc. The importance of studying this factor stems from the fact that the population in the area of activity of the agricultural enterprise provides potential markets. From this point of view, it is in the producer's interest to know the size, structure and development of the population. Another reason for studying this indicator is that the population in the area of activity of the agricultural holding can be attracted to the holding as labor;

- economic environment - this is the set of elements that make up the economic life of the area in which the agricultural enterprise operates, such as the level of economic development, employment, the financial-currency situation, income distribution. This environment is made up of elements such as: the state of the economy, the level of macroeconomic indicators, consumer purchasing power, regional development, price levels, inflation levels, interest rates on loans and deposits, etc.;

- the technological environment - this is made up of the components that essentially explain 'how' investments and innovations are produced (what they are used for) at a given time. Every enterprise must keep abreast of all developments in technical and scientific progress and not only keep abreast of them but also use them. All the innovations that come out of scientific research reduce the costs of business, but this makes business more competitive;

- cultural environment - is very important for the activity of the agricultural enterprise as it comprises the spiritual value system, customs, traditions, beliefs and norms of society, level of culture and civilization, etc. These cultural elements can influence the level and structure of consumption, demand and supply orientation. Linked to this factor is the consumption of white currant fruit, where the local population has customs and traditions of preventing and treating various diseases by natural means;

- political environment - includes the type of state, political parties and their relations, political structure, degree of state involvement in economic life, degree of political stability, etc.;

- the legislative environment - this is the body of legal regulations drawn up by domestic and international bodies;

- institutional environment - made up of the system of laws existing in each country;

The political environment, the legislative environment and the institutional environment together determine the right of each economic agent to carry out some business in a given country.

- information environment - the level of development of which allows access to market requirements;

- natural environment - is determined by natural conditions (relief, climate), availability of natural resources (soil, water) and raw materials in nature, level of energy cost, degree of pollution, geographical location, soil fertility, etc.;

- the ecological environment - which highlights the degree of pollution, concern for maintaining the ecological balance, obligations of economic agents in this area, etc.

The third component of the farm business marketing environment is the linking environment which is the relationships through which the business connects to the external environment. Thus, the agricultural enterprise, first of all, enters into a set of relationships through which it directs and

completes its economic activity. These relationships are established in the sphere of supplying factors of production and in the process of disposing of material goods and services in the form of goods.

All these relations are market relations, i.e., relations of competition. Market relations can be direct and indirect. In general, the purpose of a firm's relations with the market is to sell and buy goods and services, to borrow capital, to employ labor, etc. They therefore concern the goods market, the capital market, the labor market, etc.

The company's relations with the market are very varied, take different forms and can essentially be grouped according to the following criteria:

(a) according to the object of the relationship - there are two types of relationship between the enterprise and the market:

- selling - buying;
- transmission (reception) of information and messages.

Sales-purchase relationships are the main focus of the enterprise's activity and can take the following forms: delivery of goods; provision of services; lending and intermediation.

There are three types of buying and selling relationships: pre-contractual relationships; contractual relationships and post-contractual relationships.

- pre-contractual relationships are achieved through instruments such as negotiation, ordering, request for proposal, firm offer;
- contractual relations have as their main instrument the contract, to which are added: invoicing, delivery, transport, acceptance, acknowledgement;
- post-contractual relations concern the warranty and post-guarantee period, and have as their main instrument complaints and arbitration.

Relationships involving the transmission (receipt) of information and messages take specific forms and are carried out using instruments such as advertising, branding, public relations, trade fairs and exhibitions.

b) according to the profile of the economic agents, the following types of relationships are distinguished: with suppliers of material goods and service providers; with beneficiaries - customers of the enterprise; with state institutions and bodies.

c) according to their frequency we distinguish: permanent relationships; periodic or occasional relationships; rare or accidental relationships.

d) according to the degree of concentration there are: concentrated relationships; dispersed relationships. Concentration can be seen in three ways: dimensional, spatial and temporal (concentration over time).

Traditionally, competitive relationships are confrontational relationships in which firms constantly seek to gain a better position in relation to their competitors, or even to annihilate them. Competition has the following effects: it stimulates supply growth, leads to real price levels and eliminates weak firms from the market.

Although the object of competitive relations remains the same, the forms they take differ according to the position held by the undertaking in the market, the aim pursued, etc.

Competition takes place on two levels: competition for suppliers and competition for customers (to win the market).

Competition takes on different degrees depending on the form of intensity: on the ratio of supply to demand and the balance of power between competitors.

In the process of competition, each firm seeks to attract new buyers. The instruments and means used in the competitive struggle can vary widely: from peaceful to less peaceful; and from legal to illegal.

The object of competition can be the product, the packaging, the brand and economic prestige, the price and the effectiveness of promotional activity.

Competition takes different forms, such as:

- when it concerns the same or very similar products it is direct competition;
- when the consumer's need is targeted, we speak of indirect competition.

Another type of relationship is the partnership relationship, which arises when traditional relationships are designed and developed on the basis of the observation that enterprises in a market relationship are at the same time in a relationship of dependence.

Similarly, we distinguish cooperative relationships between business partners who agree to cooperate, on a contractual basis, through agreements, using specific forms: setting up joint ventures, joint enterprises, etc.

But also preferential relationships - some modern businesses base their business with loyal customers on a certain type of preferential relationship.

Conclusions

For white sea buckthorn growers, the marketing environment is a form of environmental manifestation that refers to all the forces and factors outside them that directly or indirectly influence their business and, in particular, their ability to promote and sustain effective trade in the markets in which they operate. Knowledge of the marketing environment for white sea buckthorn growers, as well as for any agricultural enterprise, is necessary in order to increase the level of market success and to respond promptly to changes in this environment. Each enterprise should preferably pay attention to the following moments that are essential in studying its marketing environment:

— To know its internal environment in order to achieve the company's business purpose more efficiently, focusing on the company's resources (human, material, financial and informational);

— To understand the external marketing environment, made up of economic, social, political, scientific-technical, legal, geographical, demographic, etc. factors that affect the company and have a strong influence on its market relations. The study of the micro-environment and the macro-environment, components of the external environment, depends on the nature of the relations between the enterprise and its components, and on the enterprise's ability to influence these components;

— Develop the various relationships that form the environment and through which the enterprise connects to the external environment. Thus, the agricultural enterprise through these relationships will orient and complete its economic activity. These relationships will be realised in the sphere of supplying factors of production and in the process of disposing of material goods and services that take the form of goods.

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