SECTION – 3

QUESTION-2.

ANSWER:-

Macro Environment:-

These factors include the economic factors; demographics; legal, political, and social conditions; technological changes; and natural forces. Specific **examples** of **macro environment** influences include competitors, changes in interest rates, changes in cultural tastes, disastrous weather, or government regulations.

Micro Environment:-

The factors or elements in a firm's immediate **environment** which affect its performance and decision-making; these elements include the firm's suppliers, competitors, marketing intermediaries, customers and publics.

Micro-environment and its factors:-

Micro-environment has a direct impact on routine business activities and associated with business at a small-scale. It consists of different forces that are specific to a particular business and are capable to influence daily operations and performance of the business for a shorter period. These forces or factors include suppliers, shareholders, customers, employees, competitors, media, etc.

Suppliers:

These provide resources to businesses like raw material, machinery or equipment, etc. Their actions can create an impact on the organization's strategy as they provide necessary inputs for production. In the absence of timely and adequate services, the production process may delay that result in more production time and fewer sales.

Customers:

Customers being the king of any business are the final receivers of products or services. They are central to any organization as they contribute to generating revenue by attracting more customers. So the marketing strategy of an organization is required to be focused on existing customer retention and attracting potential customers by satisfying their needs and preferences. After-sales service and more value-added services also play a key role in increasing the customer base.

Macro Environment and its factors:-

The macro-environment of an organization is related to its general and external environment that impacts the working style, decision-making process, strategy, and performance of the business. The macro-environment is a dynamic environment that has a changing tendency. It has external factors that an organization can't control.

The macro-environment study is termed as **PESTLE** analysis that includes different external environment factors or forces like:

- Political forces
- Economic forces
- Socio-cultural and demographic forces
- Technology forces
- Legal forces
- Ecology and physical forces

So, by the above definitions of Micro and Macro environment following differences in both can be seen in the below comparison chart:

COMPONENT	MICRO ENVIRONMENT	MACRO ENVIRONMENT
Definition	The micro-environment is basically an internal or nearby environment of a company in which it operates.	The macro-environment is considered as an external or general environment of the company that can create an impact on the working of the whole business of the company.
Elements or factors	The 6 main elements of the microenvironment are i.e. customers, suppliers, media or public, employees, shareholders, competitors.	The 6 main factors of Macro environment include demographic, economic, natural, socio-cultural, technological, political-legal.
Elements nature	The nature of the elements of the microenvironment is less complex and more specific. Generally industry-specific factors.	Elements are more complex and general. More of regional, national or global.
Influence on organization	Direct and regular impact on marketing decisions and also remains independent.	It creates an indirect impact on marketing decisions up to a great extent.
Activities of marketer	Interaction of marketers with different functions within the organization.	The interaction of marketers is with other elements that are outside to organization.
Marketing control	Controllable factors by marketers	Uncontrollable factors that are beyond the control of marketers.
Functioning	Factors may function in the form of strengths and weaknesses of an organization	Factors may function in the form of opportunities and threats to the external market.

SOCIAL RESPONSIBILITY:-

Social responsibility is a means of achieving sustainability. Adopting key social responsibility principles, such as accountability and transparency, can help ensure the long-term viability and success of any organization or system.

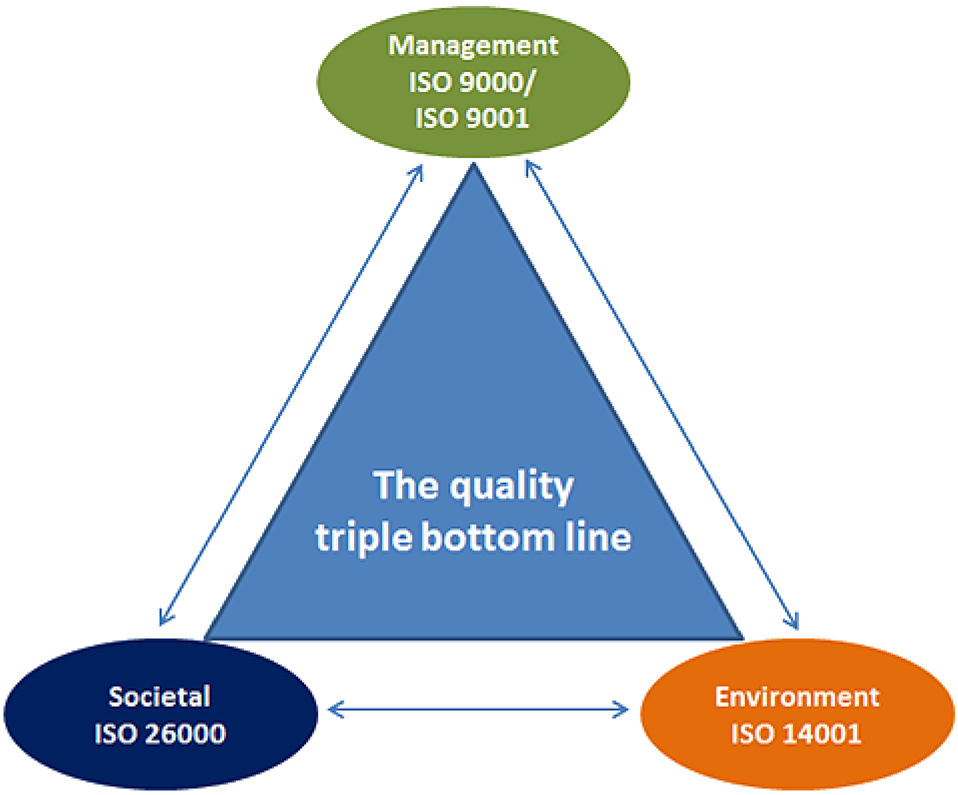
The responsibility of an organization for the impacts of its decisions and activities on society and the environment, through transparent and ethical behavior that:

- Contributes to sustainable development, including health and the welfare of society
- Takes into account the expectations of stakeholders
- Is in compliance with applicable laws and consistent with international norms of behavior
- Is integrated throughout the organization and practiced in its relationships

Organizations can achieve sustainability by paying careful attention to their impact on society and the environment. Behaving in a transparent, ethical manner ensures an approach that helps protect the long-term success of society and the environment.

Another tenet of social responsibility is the triple bottom line, also known as "people, planet, and profit." This is the belief that achieving profit does not require harm to the planet or the exploitation of people. Organizations can profit while also taking care of the planet and people.

The Business Case for Social Responsibility and Quality



Performance and results improve as the view and cultural integration of quality expands.

1. Organizational governance
2. Human rights
3. Labor practices

4. Environment
5. Fair operating practices
6. Consumer issues
7. Community involvement and development

In addition to the core subjects, ISO 26000 also defines seven key principles of socially responsible behavior:

1. Accountability
2. Transparency
3. Ethical behavior
4. Respect for stakeholder interests
5. Respect for the rule of law
6. Respect for international norms of behavior
7. Respect for human rights