

ROLE AND SIGNIFICANCE OF MARKETING ENVIRONMENT FOR THE SUSTAINABLE ECONOMIC DEVELOPMENT IN THE WORLD AND IN BULGARIA

One of the most cardinal scientific terms and categories, included in the category-term apparatus of the classical and modern marketing and marketing management, is Marketing Environment (ME), also called business environment and market environment.

The marketing environment is an everlasting and great term and category. The state and development of life, business, economy, society, nation and state in all countries, including Bulgaria, depends on its structure and dynamics. From this point of view quite axiomatically comes the statement that the perfect creation and problem-free functioning of ME is vital, always current and globally universal condition and premise for achieving and maintaining a sustainable economic development in the countries with developed market economy, including Bulgaria. The simple reason for this is that the firms of any type and size, as producers and suppliers of all consumer and industrial products, are bearers, engines and generators of the sustainable economic development, and they create and function inside ME and bear natural, decisive and even fateful influence and impact by ME. The rational, effective and profitable existence, functioning and progressing of the firms depends on the content, form, type and intensity of this influence and impact on the firms and their structures, products, personnel, plans, projects, strategies, tactics, policies and programs.

This influence and impact has two diametrically contradictory consequences. The first of them is positive and the second is negative.

The negative consequence of ME is that under certain conditions ME can create and does create big threats, dangers and uncertainties for the firms.

The positive consequence is that ME creates excellent market opportunities and chances for the firms. The following question appears: What are the market opportunities?

Market opportunities are certain areas of the nature, society, life, business, economy, science, technics, technology, literature and art, where exist certain small or big individual, family, firm, organizational and institutional needs to be satisfied. The market opportunities create favorable and necessary conditions and premises for generating sales, respectively profits, without which the firms cannot survive and progress in the national and global competition and cannot be a natural bearers, generators and engines of sustainable economic

growth in the country and abroad. It would not be unreasonable, exaggerated and wrong if we determine the following universal regularity and trend, which can be characterized as a concentrated expression of the objective connection and dependency between marketing environment, firms, sales and sustainable development:

ME	F	MO	Sa	Pf	Su	Pg	SED	ME
1	2	3	4	5	6	7	8	1

where ME is marketing environment, F is firms of all types and sizes, MO is market opportunities, Sa is sales, Pf is profits, Su is survival, Pg is growth, SED is sustainable economic development.

If this regularity and trend is good and modern, and if it functions without problems, then everything concerning the sustainable economic development will be good, modern and problem-free. This is a great and eternal, objective and regular cycle, which daily, even hourly and minutely functions and repeats. Its starting and end point is ME, on which structure, state and dynamics depends everything concerning the other components, i.e. 2, 3, 4, 5, 6, 7 and mostly 8.

Marketing environment in essence is a very complex and extremely dynamic combination of different forces, structures, factors, objects, subjects, organs, organizations, institutions, phenomena, processes, events, laws and sub-legal acts in certain country and in the world. This eternal and great combination exists outside the firms, but has weak or strong regular impact on the firms and their structures, products, personnel, sales, strategies, tactics, plans, projects, policies and programs. The marketing environment cannot be controlled by the firms. They should consider it daily, hourly and even minutely and should conform with its complex essence and dynamics. Otherwise they will suffer lethal blows from it, will have different problems and will not be able to realize the expected and dreamed sales, respectively profits. Thus they will not be bearers, generators and engines of the sustainable economic development. Due to all this one of the primary, vital and always current tasks of the firms and the firm managers is to observe, trace, scan, analyze and interpret the structure, evolution and dynamics of ME in the country and abroad. This task, which is one of the national functions of the state and the state organs and institutions, is nothing else but the planning, conducting and managing certain periodical and highly competent monitoring of the marketing environment.

The state and firm monitoring of ME has two interconnected parts. The first part is the scanning and the second – analysis and evaluation. The scanning means gathering, systematizing and processing of all initial and secondary information concerning the structure, evolution and dynamics of ME in the country and abroad. The analysis and evaluation consists of studying and interpreting the gathered information, as well as formulating short and concrete conclusions and recommendations, which should be addressed to the firm and state

governance.

The structure of the marketing environment is determined by the way of its influence on the firms and the firms' attributes and indicators. If this influence is direct, then it is a MICRO ME. If the influence is indirect then it is MACRO ME. Both parts (macro and micro) of ME have many structural elements.

MACRO ME, which has a considerably larger range, consists of the following structural elements:

1. Economic environment,
2. Demographic environment,
3. Political environment,
4. Legal environment,
5. Scientific-technical and technological environment,
6. Nature-climate environment,
7. Ecological environment,
8. Social environment,
9. Cultural environment.

MICRO ME, which has considerably small scales but more fateful impact, consists of the following structural elements:

1. Market,
2. Suppliers,
3. Mediators,
4. Competitors,
5. Contact audiences.

All mentioned above concerns the marketing macro and micro environment in Bulgaria. The monitoring of the past, present and future of ME in Bulgaria lead to the following main conclusions, statements and recommendations:

First, ME in Bulgaria in the period of the so-called „real socialism” had nothing to do with ME in the scientific sense of the word. ME in the same period was deformed, paralyzed and sick, and it suffered lack and distortion of many vital structural elements, for instance economic environment, political environment, legal environment, social environment, cultural environment, market, suppliers, mediators, competitors and contact audiences. Many of them do not function entirely or partially, they were perverted and deformed by the regime, they felt the anger and arbitrariness of the command and administrative system, they had no independence, they were not motivated materially or morally, they had no fear or worry of the national and global competition of real and potential nature.

Second, in the last 17 years since 1989 ME in Bulgaria endured a remarkable and magnificent, though painful and contradictive evolution. This evolution led to the establishment and improvement of modern and stable marketing environment, which on the other hand created and continues to create favorable and non-marketeering conditions and premises for sustainable development of the Bulgarian business, economy and society. All or almost all elements of ME in the country nowadays are modern, stable and dynamic and carry out well their mission and function. The legal system as an element of ME in the country is an exception. It still operates with some old legal norms, methods and approaches and has a great need of complete modernization and adaptation. It is not coincidence that 90% of many internal and external physical and juridical entities are not satisfied with its work and have well-founded criticism and remarks.

Third, the new and modern marketing environment in Bulgaria since 1st January 2007 is integrated with the international and European marketing environment. This integration insures even greater opportunities for a positive im-

compact and influence on the firms and their business in the country and abroad. In this way it, i.e. the marketing environment, becomes even bigger multiplier and accelerator of the sustainable economic, trade, financial, market, scientific-technical, social and cultural growth and progress in Bulgaria.

Fourth, considerably more radical and even more remarkable changes were made in the economic, political, competitive, market environment, as well as in the essence and direction of the contact audiences in the country in the last 17 years. It is one of the more substantial results and effects of the impressive evolution of the marketing environment in Bulgaria in the period since 10th November 1989.

Fifth, the radical changes in the economic environment as a component of the MACRO ME in the country are many. The most substantial are: new constitution, which insured and made eternal the universal and centuries old principle of inviolability of the private ownership, freedom of private business and initiative, the main democratic and human rights; new trade code; new export and import regime, foreign investments act, act on protection of competition; new tax and customs acts; all legal and sub-legal acts for adaptation of the economy to the European standards and criteria. The fact that on 5th June 2008 the World Bank specified this environment as the most successfully reformed environment in the world is praiseworthy.

Sixth, the considerably more important changes in the political environment as a main component of MACRO ME in the country were: many laws and sub-legal acts for modern reconstruction of the executive power and the political parties, as well as insuring the political rights and freedoms of the physical and juridical persons in the country. However, the most remarkable and cardinal change in the political environment has been and continues to be the liquidating and eliminating the real and potential centers, which were observed as a whole in the last years of the totalitarian society and in the first couple of years of the transition to democracy and market economy, and which have been a big threat and danger for the civil, class, social and ethnic peace and security in the country. As a result of this complete and successful liquidation and elimination, and thanks to many other measures and actions against the clear and secret remains of such centers, Bulgaria turned into a wonderful and model island of civil, class, social and ethnic peace, security and solidarity in the region and even in the world.

Seventh, the deep and radical changes in the competitive environment led Bulgaria out of the pernicious chains of the autarchy and reticence and put it on the wonderful rails and waves of the global and European competition. In this way in Bulgaria many global competitors with world famous products and brands and wide-scale investment and reinvestment projects, plans and initiatives started to come. On the other hand, many Bulgarian holdings and firms exported their products since in the country they began to endure the restructuring and cleaning impact of the global competition.

Eighth, in the country emerged and quickly evolved many new components

of the contacts audiences as physical and juridical persons, who due to different general and specific needs and motives show real and potential interest in the firms in the country. Media, organizations for social pressure, financial and credit institutions, mediators, suppliers, contact audiences and firms have special place and significance among these components.

The Bulgarian media became a powerful and wide-scale fourth power in the country, strengthening and renewing its long traditions and acquiring new powers in the conditions of democracy and market economy.

Many new Bulgarian organizations for social pressure emerged, and the old ones endured big evolution and modernization. These are for example the ecological organizations, organizations for protecting the consumers, organizations for protecting the women and children, sick and invalids, many charity companies and foundations.

The Bulgarian financial and credit institutions have renewed completely and multiplied.

The Bulgarian mediators had new essence, direction and mission and became many in number.

New business circles appeared, namely the suppliers.

The general public and community in the country acquired new scales, powers and dimensions.

Over a million of micro, small, medium-sized, large and very large private, foreign and joint ventured emerged and developed quickly. They became a powerful element of the contemporary Bulgarian marketing stage and began to produce and supply 1/3 of the GNP of the country.

Ninth, the most impressive revolution occurred on the market as a component of MICRO ME in the country. The market acquired and embraced its real and scientific meaning and freed itself of the lethal chains, which obstructed and paralyzed it during the totalitarian and command-administrative regime. Thus it became eternal and great combination of real and potential clients, who have different small and big needs to be satisfied, who have different small or big incomes, i.e. purchase power, and who have desires to purchase different products. A more analytical approach towards the market in Bulgaria leads to the following more concrete conclusions and generalizations about it:

➤ The market in Bulgaria in the studied period regenerated and grew up as a real market in the full meaning of the word and with both its interconnected components: consumer market and industrial market. Its index restored its unique and universal power, which has been liquidated by the communist regime, and which was and is the most successful indicators of the current and future state and development of the firms and the sustainable growth.

➤ The Bulgarian market has become an integral part of the European market of EU since 1st January 2007 and of the global market since 10th November 1989 in the world, without losing its national identity and specifics.

➤ New components of the market in the country emerged and developed quickly, for instance state, municipal and institutional markets. Its old compo-

nents, i.e. the production market and trade market, have renewed fundamentally.

➤ The Bulgarian market is not anymore a „soft” market, which accepts all products no matter whether they and their exploitation features, innovation characteristics and quality determinations are. It is now a „hard” market, which unlike its „soft” character in the communist time has its own general and specific needs, desires and preferences, requirements and standards, trends and claims.

➤ Its long-lasting natural intelligence has increased, which as a fact became a material premise for the forming of a high degree of education and culture of the young and middle elements since 1989. This phenomenal national feature of the Bulgarian market as a nation and community has even bigger contribution to the current and future process of adaptation and integration of Bulgaria to EU and the world.

➤ There is a certain improvement in the state of its poor and poorest segments, and some of them moved to the middle segments.

➤ The total number of the rich and richest segments increased.

➤ It became even more educated and cultural, strict and intelligent, initiative and entrepreneurial, diligent and peaceful, heuristic and creative. That is why it quickly realized the fact that at the end it is his highness and guardian angel of all firms and businesses. Realizing this fact, it started day by day more and more to reject the rudeness, negligence, gloominess, impoliteness and lack of culture of the bureaucratic and army thinking salesmen of the products.

➤ As a whole the Bulgarian market with its both components – consumer and industrial market – turned into an integral part of a mega market, which is strongly internationalized, globalized and regionalized, and which is called common European market with almost 500 million people from 27 countries plus few dozens of millions foreigners, and juridical persons, state and municipality organs and organizations, foundations, charity companies, institutions, organizations for social pressure, health and public structures, educational and scientific links and staff, religious and social organizations, firms, etc.

➤ The contribution of the Bulgarian national market in the sustainable economic development of the country is and will continue to be high. Moreover, as the most substantial component of the marketing environment in the country it is and will be a vital significant condition and premise for the sustainable economic development of Bulgaria. It creates the biggest market opportunities. Creating these opportunities, it serves to the sustainable growth. Also, it requires the sustainable growth to serve it by offering high value and perfect satisfaction always and without interruption.

The main conclusion is that the sustainable economic development in Bulgaria and in the world is unthinkable without the marketing environment and without the national and global market in particular. That is why there should be special efforts and cares by the political factors and firm owners and managers for the marketing environment and the market. The marketing environment as a whole and the market in particular in Bulgaria and in the world are guardian angels, keepers, continuers, multipliers and accelerators of the sustainable

growth when the firms perform periodical and profound monitoring of the marketing environment and the market and take into consideration their structure, dynamics and evolution. In the other case, the marketing environment and the market create threats and dangers, which interrupt and even disrupt the sustainable growth in the country and in the world. Of course, the market has more special role and significance here. Moreover, the market index, which is also a client index, shows and proves the health status and perspectives of the firms, respectively the sustainable growth in the country and in the world. If this index is high, stable, non-zigzagging and tends towards constant increase, then the firms and the sustainable growth have super health and high perspective and continuity. And on the contrary, if this index is low, unstable, zigzagging and tends towards zero, then the firms and the sustainable growth have worsened health and are threatened by diseases, paralyses, coma and death.