The Influence of Micro and Macro Environment Components on Trade Companies in Romania

Authors: Elena Pîndiche, The Christian University Dimitrie Cantemir of Bucharest, Romania; Roxana Ionita, Lecturer, The Christian University Dimitrie Cantemir of Bucharest, Romania

This paper deals with the impact of micro and macro environment components on trade companies in Romania. Trade companies organize and operate under specific environmental conditions impact or both. In the activity of any companies the environment plays a key role in defining its strategies in seizing and using opportunities of development, being practically the support in achieving the objectives of growth, profitability or just survival. Trade companies should have the best possible perception of the components on each macro, because some of them are heavily dependent than others. Dealing with environmental factors allow detection trading company strengths and weaknesses, and to measure responsiveness and anticipation.

Keywords: micro environment; macro environment; company
Introduction

Trading company designs and operates under specific environmental conditions impact or both. The external environment of the firm identifies two major components: the microenvironment - the firm has direct links, reciprocal often imposed by the need to achieve its object and macro environment - the firm has indirect relationships in most cases only company suffering its influence.

The micro and macro environment components of the firm

At the microeconomic level, for consumer products as inputs buyer or consumer goods, the balance is reflected in the size and structure of utilities that you can buy with the income available, maximizing the sum of these utilities. The contribution of trade to ensure stability at this level is how he determines normality market, the existence of an offer corresponding to volume, structure, place and time the manifestation of demand in this regard.

Providers, who make trading company resources ordinary course of business, are organizations and individuals that provide firm inputs (materials and supplies, machinery, equipment, energy, packaging, labeling, services, financial, informational, etc.). Suppliers should look not only to their traditional sense, but as public or private service providers (transport units, repair and maintenance, mail, telephone, telegraph, internet service providers and suppliers of human resources (labor distribution offices jobs, job fairs organizers, educational and vocational training, head-hunters).

It is very important on the one hand monitoring of suppliers, on the other hand establishing trust and long term, achieving a mutual interdependence.

Customers trading company is the most important component of the company's microenvironment, the starting point needs to
substantiate policy objectives marketing. Depending on their status and the nature of the claims against the company products, customers are final consumers of products who make the market for the company’s products, intermediate (rarely used in the productive goods market) and are represented by firms that facilitate promotion, sale and distribution of goods to the final consumer in the form: traders (wholesalers), physical distribution firms (trade, transport, etc.), marketing service agencies (advertising agencies), financial intermediaries, banks, insurance companies and so on. A customer’s decision to return or not to trade company is determined by several factors, emotional, such as: overall satisfaction, intention to return for shopping, intention to recommend a brand, a product or service. The consumer is, at the same time, convenience and risk. Today consumers are aware of and care about what they buy, how to do, what to do and how the product is packaged. The way consumers gather and share information has changed, customers are connected to the Internet more than ever. Spread information instantly, globally. Sustainability is a business imperative. Consumers want to act and buy sustainable products, but are limited by three key barriers: high price, confusion and lack of confidence, the availability of alternatives. Under current conditions, trade company must adopt new approaches to address the market: to become creative application and acquire the ability to create customer.

**Competitors** are similar firms seeking to meet the same needs of customers, as perceived by consumers as alternatives to satisfy their needs. Trade companies must anticipate and respond to mutations in the microenvironment company, such changes should influence and control the size of their interface with the companies that have the same activity.

Competing foreign trade and multinational firms came in Romania and became significant. Picture issues facing Romanian trade companies reflect a variety of aspects: structural and performance gap Romanian trade across other states, constraints and specific legal requirements of the acquits communautaire, the content of public policy that addresses the trade European Union.
Ability of larger firms to reduce costs by achieving economies of scale to support costly research and development programs that materialize into products and proprietary technologies or impose brands with a strong presence in the public consciousness, small and medium businesses oppose them greater flexibility and adaptability to changes that occur in the market, greater mobility in meeting the needs of personalized social climate motivating.

Public or publics represent any interest group that has actual or potential impact on organizational capacity to achieve the objectives of the company trade. In our view, we can identify several types of bodies that surround Trade Company and a direct influence, such as: financial institutions, media outlets, citizen associations, government agencies, local public bodies, public attitudes general, etc.

**Macro components and their role in the company's strategic approach to trade**

The second component of the external environment, ranks macro environment essential to guiding the company's activity in accordance with the needs of society, he influenced the company's shares through several types of behaviors, such as: consumer behavior and commerce, competition and the behavior and position of government.

Trading company should have the best possible perception of the components on each macro, because some of them are heavily dependent than others (eg, the economic environment cannot be separated from the social or political environment). Dealing with environmental factors allow detection trading company strengths and weaknesses, and to measure responsiveness and anticipation. Since macro elements do not evolve simultaneously in the same direction and with the same intensity, the effects triggered the company are outstanding.

Knowing physiognomy and external environmental requirements Commerce Company acting particularly important for
connecting business to its dynamics. The trade company may propose to develop demand for certain products and services, high frequency renewal of goods, improve distribution of its products or services, to make effective promotional activities etc.

The sector is currently trading firms are characterized by instability, limited demand with risk adverse and highly price sensitive demand, the determinants of global financial tensions banks froze lending attitude. In this respect, our approach we started to explain the evolution of political, emphasizing the influence of economic factors and social factors reaching technological, legal and environmental.

With regard to political factors, several authors have developed theories more or less complete. In appreciation of Somes C. These are country specific and are mainly structures of society, social classes, political forces, the degree of state involvement in the economy, the stability of the climate politic. The most visible components are usually political factor: the political regime, the type of government, political party system (one-party, two-party, multiparty, coalition), the stability of the current government policy measures, the stability of the policy measures taken historic (analysis is done through an emphasis on the past, national political life), the fees, the attitude towards foreign investors and to investment, economic regulation, legislation on environmental protection.

Assessment of the political climate of interest in establishing and carrying out the strategy. Romania currently has a requirement to decreasing corruption phenomenon Prints a negative political environment. According to CPI, corruption is perceived as much higher in Romania than in other Eastern European countries. Romania had the lowest score of all Member States, namely: 3.8 out of 10 points, according to the Global Corruption Report 2011, Transparency International Romania. This negative indicator turns Romania into a country less attractive to investors and is considered by some agencies, affecting interest rates. Our country has seen scores indicating delayed reforms, abandoning the impact of systemic reforms, reducing the interest of
policy makers to combat corruption, the existence of many conflicts between the state powers that led to destabilization and discrediting measures. These have resulted in lack of progress and the negative effects are reflected in particular on the competitiveness of the Romanian economy. Destruction safety mechanisms in the spending of public resources, manifested in the last year, the economic crisis and rising indebtedness of the country has reduced to an extent greater market competitiveness of Romania European public funds.

The relationship between the population and the state (represented by the administration and public utilities) is hampered due to lack of trust and suspicion on the accuracy of setting tariffs, taxes, etc. Relationship entrepreneurs and political environment is also influenced by the characteristics and climate latter. The report, Paying Taxes 2011", released by Price Waterhouse Coopres Romania is ranked 149 in the world to pay taxes incurred by a company and the second lowest out of 183 countries surveyed by the number of payments to be made annually to pay tax obligations. The number of required fees Romania is higher than in any other EU country, the difference is very large, and the second in the union, according to this criterion is occupied by Poland, which ranks 129. Realizing a less dangerous of the data presented, we consider that report; Paying Taxes 2011 "reflects more negative influence on business and trade on firms as the analysis does not focus on reporting to the European Union, but on a planetary scale.

All these elements characterized finally, the political climate of a country, its assessment is important in determining national development strategies in the commercial sector. It is necessary that the political environment through, the actors support its profitability sectors correlated with how natural resource exploitation.

The whole economic life of the component space acting firm determines its economic environment. Economic factors concern the allocation of resources in society and commerce that company management should aim to adopt best decisions: the GDP branch structure of the national economy development level of each branch, the
budget deficit, the effects of recessions price developments, taxation, economic development, population, development and distribution income social groups, trade balance, forex ancian situation, interest rates, loan applications development inflation, employment of labor, etc. Trade companies must follow very closely the evolution of some items as income, cost of living, interest rates, the economy and the structure of credits, items that have a significant impact, particularly on trade companies whose products are aimed at people with high income and those who are price sensitive.

The evolution of the current account deficit in Romania reflects a combination of structural factors and long-term growth of external shocks and domestic policies. Specifically the external deficit is attributed to insufficient development of production capacity of the economy compared to domestic demand growth, the sharp increase in demand driven by increasing incomes well above labor productivity growth and the sheer volume of credits granted to NGOs. Conventional threshold of sustainability of the current account deficit every year shows that Romania has excessive current account deficits. It is economically rational for this deficit exists, but not to this scale.

One of the sources of power and the creation of capital, at the moment, is the savings. It is seen that a source of this flow to steal money from "24, by saving investment is required.

Economic growth must be achieved through innovation (human resource development), developing natural resources, and financial resources. Trade companies must pay attention to major trends in the size of income and consumption expenditure structure of the market. Analysis of the temporal relationship between the two phenomena reveals the close application of needs consumer goods people's material contained in real need. Regarding the minimum gain interest on two aspects: the motivation of human resources engaged in commerce firms (reduced gain may not ensure the existence of ) the financial resources available to the population. Depending on the average gross salary, persons engaged in commerce firms are found usually in the unfavorable
salary scale, ranking in the top end of the main economic activities. Also earning minimum while representing our country a competitive advantage hiding limited financial resources available to the population.

The financial crisis has affected the cost and availability of external financing. Risk premiums for CEE countries increased significantly (left) and by rating agencies is increasingly pessimistic (right). In our assessment of current benefits among trading firms on the one hand we can state the high potential demand for household credit, knowing that this is, in fact, the client company's trade, and on the other hand the benefits of the capital blast.

Interest rates on bank loans double impact exercise, namely the willingness of consumers to make purchases from non-primary products and the firm's ability to finance for investment. From the point of view of the consumer, a high rate of interest not only limit its expenses, but they do prevent (other) loans, which means a reduction spiraling ever closer to total expenditure for goods non-vital.

The economic environment has been characterized in recent years by high inflation, so the turnover of trade enterprises was reduced, but in recent years this has improved a lot.

Inflation based on prices skid, short term and medium to firm trade can be a real engine of growth, amid increasing demand, selling prices can increase without affecting turnover, but its medium and long term deviations are emerging (e.g., erosion of employee income) and the inflationary spiral is high. Inflation based on prices skid, short term and medium to firm trade can be a real engine of growth, amid increasing demand, selling prices can increase without affecting turnover, but its medium and long term deviations are emerging (e.g., erosion of employee income) and the inflationary spiral is high.

Current developments in the exchange rate negatively affect trade companies since it increases the prices of food and non-food, and thus decrease the purchasing power of the population. Due to exchange rate volatility, customer's individuals who took out loans in euros have
felt the effect of the rise of interest rates overlapped increases, this limiting their available income and employment potential new loans. This indicator is most affected by lack of investor confidence due to the direct effects it produces inflation. Currency depreciation effects on all sectors of the economy show. If devaluing the short term, to lead to a boost exporting business activity.

Regarding the distribution of failures, in 2011 the situation is one unfavorable trade companies; the first position is situated as in all previous years commercial sector.

Regarding the commercial sector, there was a mutation in the number of bankruptcies in retail outpaced that of the wholesale and distribution main cause of the large number of bankruptcies in the retail, wholesale and distribution is the competition from large supermarket chains and hypermarkets on small traders.

The generic name, bankruptcies "were considered in all cases of insolvency recorded ie companies that have opened bankruptcy , business reorganization and companies in which bankruptcy was closed for lack of active having to the expansion of such networks to cities becoming smaller. This is not a situation that occurs only in Romania, according to a survey by Coface in the Central and Eastern European countries occupy the top position among commercial bankruptcies. The effects of the economic crisis are still being felt increasingly stronger trade companies by sales decreased difficult access to finance and thus considerably reducing liquidity.

Conclusions

Noteworthy is the fact that under the generic name, trade ' recorded a multitude of companies that might be included in another category, are directly influenced by the risk of another economic sector. For example, trade in construction materials and sanitary equipment is less influenced by the opening of large shopping centers and more specialized retailers of construction. On the other hand, most companies registered in
Romania as engaged in trade, and many of them have not had any activity, which led to their liquidation and deregistration. This reduces the overall riskiness of the sector. Economic factor influences the trading company differ depending on the type of commercial units, but depending on the product. Supermarkets and hypermarkets are more resistant than all trading companies. Small business merchants and may disappear in trade large retailers, especially due to cost strategies should address.

Nationally, unemployment affects current size lowering the gross domestic product and the company to bear the costs of unemployment contribution to the unemployment fund additional expenditure due to their support. At the individual level, family unemployment rate increased negative impact on income; unemployment benefit is less than the wage and record erosion of savings if any. People with austere budget can represent clients lost for some firms to trade and market for those who need products sold at prices corresponding financial situation therefore trade companies recorded lower revenues. Existence month term unemployment is an environment for crime, violence, etc..

The tax is another economic variable affecting the macro-environment in which Trade Company operates. High taxation in Romania diminishing purchasing power of consumers and trading companies, and the number of charges leads, while allocating a greater period of time to pay them.

References

