

# Analysis two environmental forces which are affected



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Christian Dior Watches is subsidiary of the LVMH Group which designs have resulted from a combination of the artistic talents of John Galliano, Victoire de Castellane and Hei Slimane. They combine creativity and quality representative of the couture house and all of the expertise of fine Swiss watch making. Christian Dior Watches collecting are an original and exclusive creation, a timeless object, the reflection of a personality.

They are distributed in over 150 countries at 1,500 sales outlets and 115 Christian Dior boutiques.

Christian Dior Watches are warranted by Christian Dior to the original purchaser to be free from defects in material and workmanship under normal use for a period of two years from the date of purchase. Economic environment Economic environment that is the factor to affected customer buying power and spending patterns. As Philip Kotler, Veronica Wong, John Saunders and Gary Armstrong (Fourth European Edition) points out " The economic environment consists of factors that affect consumer purchasing power and spending patterns. "

The economic in Hong Kong now is growing and the unemployment rate is lower than before.

People have more earning power so correspondingly their purchasing power will be more strongly. In now days, female's earning power does not weakness than man. The sex ratio of population, female is higher than man. So in Hong Kong Ladies market has high value. Information source from: HKSAR Publication or Statistical Table (2008 Edition), page 10 and page 12.

(See appendix) So that Christian Dior Watches is preferable to targets for ladies market in Hong Kong.

As Philip Kotler, Veronica Wong, John Saunders and Gary Armstrong (Fourth European Edition) point out “ Marketers should also pay attention to income distribution as well as average income. Consumers with the greatest purchasing power are likely to belong to the higher socioeconomic groups, whose rising incomes mean that their spending patterns are less susceptible to economic downturns than those of lower-income groups. i)The upper economic strata of a society become primary targets for expensive luxury goods. ii)The comfortable middle income groups are more careful about their spending, but can usually afford the good life some of the time. iii)The lower strata will stick close to the basics of food, clothing and shelter needs.

In some countries, an underclass exists – people permanently living on state welfare and/ or below the poverty line – which has little purchasing power, often struggling to make even the most basic purchases. ” Christian Dior watches position their brand and product as luxury goods and that is dependent to product’s quality, price, feature and brand.

Their target market segment is high income segment. So that they would be choice group (i) and group (ii) to be their targets market.

For group (i) and group (ii), consumer groups have strong earning power and hanker for quality of life. Cultural Environment As Kotler, Phillip and Gary Armstrong (2006) points out “ Cultural environment consists of institutions and basic values and beliefs of a group of people. The values can also be further categorized into core beliefs, which passed on from generation to generation.”  
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generation and very difficult to change, and secondary beliefs, which tend to be easier to influence.

As a marketer, it is important to know the difference between the two and to focus your marketing campaign to reflect the values of a target audience.

" Hong Kong was a small fishing village about 110 years ago, about 60's-80's Hong Kong became a city which has a lot of factory. At 80's-90's Hong Kong has changed into commercial center. A lot of World known company set up their head quarter in Hong Kong. Nowadays Hong Kong becomes a financial center.

As you seen the history of Hong Kong, we can also see the people's have better and better life over each generation.

Therefore people even more hanker for high quality, high valuable and noble design product. Christian Dior is position their product to Luxury goods exactly. It is match to be the trend of cultural in Hong Kong.

Christian Dior Watches Marketing Program Planning Christian Dior Watches has being to launch a new product which is limited edition ladies watches collection. The quantity for sell only has limited five thousands pieces for worldwide. A ladies watches collection is design by a famous designer who is top five of the rank of global best designer.

For this ladies watches collection they provide special extend warranty period from two years to four years. Christian Dior Watches now is starting to prepare the marketing program planning to launch the new product.

Marketing program has four mix tools including Price, Place, Product and Promotion.

Precisely to manage four tools that is the mainly factor to achieve a successful marketing program. Firstly, they need to determine the new product price. Price that is the money or other considerations (including other goods and services) exchanged for the ownership or use of a good.

Pricing determining will be influence the performance of marketing planning.

As Philip Kotler, Veronica Wong, John Saunders and Gary Armstrong (Fourth European Edition) points out “ Before setting price, the company must decide on its strategy for the product. If the company has selected its target market and positioning carefully, then its marketing-mix strategy, including price, will be fairly straightforward. ” The Christian Dior Watches’ new collection watches’ target market is higher-income segment which is defined by product feature, benefit, quality and brand name.