

Marketing macro and microenvironments

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Take for example; Louis Button as a producer of luxury handbags. Marketing intermediaries help the organization to promote, sell and distribute its goods to final buyers. They include resellers, physical distribution firms, marketing services agencies and financial intermediaries. Resellers are distribution channel firms that help the organization find customers or make sales to them. Retailers may buy luxury handbags and resell the merchandise. Physical distribution firms help the organization stock and move goods from their points of origin to their destinations.

Luxury handbag producers would use them to move their handbags to their stores, whereas a facial treatment provider would need to move the products it uses for treatments to their facility. Marketing service agencies are the facilitating agencies such as marketing research companies or advertising agencies. Target markets for luxury handbags and facial treatments are specific, and marketing research would have to be prior to advertising, in which the advertising firm will then market the product or service to potential customers. Finally we have financial intermediaries.

Most companies depend on banks to finance their transactions, be it for financing the production of handbags, or the financing of spas which provide facial treatments. The organizations must also study its customer markets closely. The organization can operate in five types of customer markets which are the consumer markets, business markets, reseller markets, government markets and international markets. A luxury handbag producer would focus more on the consumer and international markets, those households or individuals that have wants for a luxury handbag.

A facial treatment provider would focus on the consumer markets only as services cannot be marketed to business markets or international markets. Every organization has a competitor. A luxury handbag producer such as Louis Button would face competition from another such as Gucci. A facial treatment spa would face competition from other spas. To be successful, they must provide greater customer value and satisfaction than their competitors. Finally we have publics. A public is any group that has an actual or potential interest in, or Impact on, an organization's ability to achieve objectives.

Every organization is Involved with seven types of publics. These are the financial, media, government, influence how the organization gets funds. The media are those such as fashion or omen's magazines that advertise handbags and spa treatments. Government publics are concerned with issues of product safety which may be used in spas. Citizen-action groups may question the producers on environmental safety of their products used in facial treatments or the means by which a luxury handbag is crafted.

To handle local publics, a large organization like Louis Button or a large spa may appoint a community relations officer to deal with the community.

General publics is how an organization needs to be concerned about the general publics attitude towards its product and services. Internal publics is an organizations employees, volunteers, managers and board of directors. When employees feel good about their organization, this positive attitude spills over to external publics. For example, a happy sales force in a handbag

store may sell more products, and a happier staff in a spa would make customers enjoy their services more.

Next, we come to the marketing micromanagement. This consists of six major forces which are demographic, economic, natural, technological, political and cultural. In regards to the sales of luxury handbags and facial treatments, we will look at the economic and cultural trend. The economic environment consists of factors that affect consumer buying power and spending patterns. Marketers should be aware of major trends in income and of changing consumer spending patterns. One factor in the economic environment is the changes in income.

With the recent worldwide recession, luxury handbag sales would have fallen, and the need for services such as facial treatments at spas would drop as well. Households losing disposable income would reduce their wants for luxury goods and services such as handbags and spa treatments. They also have to study changing consumer spending patterns. Household income directly affects the imposition of a household's expenditure. Changes in major economic variables as income, cost of living, interest rates, and savings and borrowing patterns have a large impact on the marketplace.

The organizations producing handbags or providing facial treatments need to watch these variables so they can anticipate and respond to the demand of such goods and services. The cultural environment is made up of institutions and other forces that affect society's basic values, perceptions preferences and behaviors. People grow up in societies where owning a luxury handbag is a sign of 'class' and going for facial treatments are for those of the upper-

class. The major cultural views of society are expressed in people's views about the organizations, society, nature and the universe.

People's views of themselves are important, in this case, owning a luxury handbag or going for a facial treatment may consider it a means of self-expression. People's view of others are also taken into consideration, seeing as how many celebrities own Louis Button handbags and go for constant facial treatments. People's view of organizations affect the sales of handbags, and a luxury line of handbags or facial treatments will always have the allure. Then we have people's pattern.

Average earning consumers wanting to own a luxury handbag or having a facial treatment is a sign of this, as it lets them have the feel of being a part of society's elite. Finally we have people's views of nature. Love of nature is leading to an increase in marketing for 'green' products. Consumers would not want to go to a spa offering facial treatments in which their products were tested on animals. Neither would people purchase leather handbags made from endangered animal leather. As such, spas and luxury handbag providers must take this into consideration.