

# [Marketing enviroenment](https://assignbuster.com/marketing-enviroenment-essay-samples/)

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This shows the micro-environment is inside the company's control which means the company has some abilities to control these relationships. A useful tool for examining the micro-environment is Porter's five forces, which can determine the attractiveness of the industry and the profitability of firms within the market. The five forces are the threat of new entrants, the bargaining power of suppliers, the bargaining power of buyers, the threat of substitutes and finally the industry competitors.

Firstly, the threat of new entrants is the ability of new firms to enter the market which is decided by barriers to entry, and this will impact the attractiveness of the market. Miniseries is a Korean company that is entering the Chinese market, there is no legislation which does not allow Korean cosmetics enter into China as well, meanwhile more and more domestic people tend to using Korean cosmetics which implies the Korean cosmetics are becoming popular among Chinese people.

Therefore, except the Miniseries Company, other Korean cosmetics companies like Lineage, Kingdom, and Etude House are also entering Chinese market. The second force based on Porter is the bargaining power of suppliers. The greater the bargaining power of the providers of the resources like land, labor and capital, the higher cost is highly to be. Since the Miniseries is developing the Chinese market, the advantage of it is the labor because of the cheap labor in China.

Besides, the resources and the methods to make the Miniseries products are from Aimer Pacific in Korean, and there are a few producers in China, some are individuals, and some are big trading companies, which mean the Miniseries Shoppe in Parson in Hawaii Road in Shanghai can choose the cheaper producer to supply them products. Therefore, Miniseries is able to sell their products and lowers the power of their suppliers. On the contrary, the bargaining power of buyers is the umber of firms can influence the power of buyers, and the smaller the number of buyers, the greater their bargaining power.

As many Korean cosmetics have homogeneous goods like makeup base with three colors for three kinds of people because of their different skin color, a new kind of B cream named Air B, buyers can have many choices to choose the brand they prefer. In that case, unless the Miniseries can have the lower price or the better products, the number of buyers can be decreased with the increasing number of Korean cosmetics companies coming into China. Due to this, the availability of substitutes can reduce the attractiveness of

Miniseries as it reduces the ability of the Miniseries Company to charge higher prices. With the similar cosmetics made by different Korean cosmetics companies, Miniseries is facing the problem of an increase in its substitutes, which means if the Miniseries charge a higher price than companies like the Bakeshop, Lineage and Etude House, fewer people may buy the Miniseries products, and this cause the threat of substitutes. According to Porter, the last force is the industry competitors. This is the degree of competitiveness between rival firms in a market will influence the attractiveness of the market.

Nowadays, the Korean cosmetics is sold by Miniseries, Lineage, Etude House, Kingdom, the Bakeshop and Monde in China, which are the popular brands among women, and this can develop an oligopoly market structure in China. Because of this, Miniseries is meeting with the competition in price, product and even place, which means Miniseries have the similar products with other Korean cosmetics companies and the similar price. Therefore, if the Miniseries wants to be better off, it needs to differentiate its goods, also it can sell in a better place like the Shoppe in Parson in Hawaii Road.