

# [Five forces framework](https://assignbuster.com/five-forces-framework/)

Economic factors There has been an increase in perfumes and cosmetics products sold in the I-J. When the rate of inflation fell, moneyhad greater purchasing power and people had a greater desire to purchase expensive goods, which ultimately benefits the perfumes and clothing companies. Social factors Social factors consist of demographic population, culturereligious norms and the practices and trend of the society. Geographical segmentation divides the market into the various geographical areas which helps wealthy countries like the I-J by maintaining better positioning and enhances the status symbol of the perfumes company.

LIVE has target the people having higher income and the company has created the images that are in accordance social identity theory and consumer reckon that consumption of LIVE products increases the social identity , builds the social image and most of the buyers are graduate professional with sense of self world and high social reputation(Devil, Sings et al. ). British women mostly use fragrance on special occasion and tend to use less perfumes as comparing to other American and Europeans women.

It is shown that older woman above 35 seen more conservative and less fashionable and experimental than the younger teenager. Gifting is consider as one of the crucial feature of perfumes market. It also provides opportunity to perfumes manufacturers as there is growth in over ass who live younger than the lifestyles. Technologyfactors Various companies advertise on line has tremendously increase due to growing popularity of thesocial networkingsite. LIVE also gathers various information, opinions and attitude of friends, families reviews from the internet etc through arioso forums, blobs, chat groups and websites.

There is also growing trend of online shopping facilities and growing E-tailing trend facilities in the UK market. New technologies also have allergic perfumes for those who have allergic problems. Modern technology boosts new sampling innovations. It will increase competition among the market with anti-ageing skincare formulations have advanced. Environmentsectors For the environment trend, greening business has been increasing popular, according to Rebecca Smithies (2010) :" Consumer costs on " green" goods grew by almost a fifth over two years by the various companies despite the economic recession. It perfumes and cosmetics companies seek a green way to mandatory its products they need technological support but customer would more likely to purchase their products hence it also increase the sales and builds good image on the society and it is also shown that during the summer time British women and men purchase more perfume and fragrance, it certainly increased sales of LIVE and positively affects the I-J market. To ensure a high level of environmental reference, the Group believes it is vital for each company to set precise environmental targets and implement a management system dedicated to this process((Devil, Sings et al. . Around the world LIVE gives best level of environment protection around the world with managing the environmental impacts. Legal factors The growing call for testing has regulated EX. such as reach may thwart creativity and novelty. Discrimination, terror acts is affecting the perfume market negatively in the I-J. In July 2007 there was huge boost usage of perfumes and fragrances whensmokingwas banned in all enclosed public places.

According to luxury daily newspaper it was posted that LIVE fined approximately 12 to 10 billion dollars for its way of acquiring a share infamily-owned French leather goods maker Hermes and this battle still continued. " LIVE is surprised by the great weakness of this decision, both in legal terms and in terms of the totally erroneous analysis of the facts on which it is based," the company said in a statement. (E, She , 2013). According to keynote, 2008 as a whole that macro environment of the products are not so optimistic with the increase of the vat and the government expenditure