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ASSIGNMENT 2

MARKETING MANAGEMENT
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TABLE OF CONTENTS

Page No

INTRODUCTION	3
MARKET ANALYSIS OF LV	3
INTERNAL MARKET ANALYSIS	4
EXTERNAL MARKETING ANALYSIS	4
ROLE OF MARKETING IN AN ORGANISATION	5
RECOMMENDATIONS FOR FUTURE	7
CONCLUSION	8
REFERENCE	8

Introduction

This assignment is a focus on marketing environment analysis of an organisation. analysis of marketing environment of an organisation is conducted through assessment of various internal and external factors. A balance of these elements is necessary in an efficient marketing and to attain a business success. In the current assignment, an external and internal environmental analysis of the brand Louis Vuitton (LV) will be carried out. Additionally, the role of marketing within an organisational environment will be carried out. After analysing the external and internal elements that plays a role in the marketing of the environment, recommendations will be provided for the organisation to improve the marketing strategies for the future.

Market analysis of LV

Market analysis of the brand LV includes evaluation of its different components in determining the overall marketing and performances of the organisation. analysing the industry environment requires appraisal of various competitive elements of the organisation. it is also important for the organisation to analyse its macro environment. Macro environmental analysis of the organisation is carried out by a PESTLE analysis which involves its various components. PESTLE analysis of marketing of an organisation demonstrates involvement of various components such as political factors, economic factors, social factors, technological factors, legal factors and environmental factors (Kumar et al., 2020). Besides this macro environmental analysis, analysis of the external environment of an organisation reveals its various strengths and weaknesses, opportunities available and various threats. External environmental analysis of the organisation is carried out by different strategic tools such as VRIO analysis, SWOT analysis, GAP analysis, and strategy evaluation. GAP analysis is the fine tuning of a single process, whereas VRIO analysis helps in identifying the competitive advantage. OCAT is another tool that assesses the internal performance in a variety of different dimensions (Zihan, 2021). Strategy evaluation is an ongoing evaluation tool that is used at regular intervals to analyse if the company objectives are attained or not.

Internal market analysis

Internal market analysis of the current study is carried out with a SWOT analysis. The following section illustrates a SWOT analysis of the luxurious fashion brand Louis Vuitton.

Strengths of LV

It is nearly impossible to match LV's global footprint; Customer loyalty at an extremely high level accounts for a sizable portion of this. Their products are instantly recognisable due to the monogram canvas on them. The strengths of the LV brand include its extensive network, which has a substantial manpower, and its relationships with high-end shops (Vineeran, 2019). Customers are attracted to the LV brand because of recognition among consumers. The best designers from all around the world who can produce the best results are accessible in LV. The items' accessibility across 450 locations in 50 countries demonstrates the brand's robust network. The prosperous history of more than 150 years of settlement is another strength of LV (Moustakes et al., 2020).

Weaknesses of LV

The areas where brands need to improve organisational operations are their weaknesses. With LV, centralization was a constant problem. Due to a focus on exclusivity, LV has copyrighted the majority of its items. The brand's morale is declining as a result of the centralised decision-making. Since LV is a French company, they frequently are unaware of global fashion trends and activities. Customers find it difficult to afford things because of their high cost. This compels LV to concentrate on a niche market (Balina and Ballina, 2019). LV items are not as widely accessible as those from other luxury labels. Only storefronts are used for the majority of sales. For the current customer behaviour, this minimal internet presence is a disadvantage.

Opportunities of LV

An opportunity for LV also exists in the overall expansion of the market for luxury brands. The value of the global luxury industry is rising, creating a sizable opportunity for luxury companies like LV. LV has the opportunity to strategically collaborate with some businesses that serve comparable customer segments. Another prominent advantage is the potential for market expansion into China and India (Ibrahim et al., 2020). New product and service development is boosting the brand's competitive advantage. Luxury brands have potential to develop into these regions that have a rise in the per capita income and attract customers in these countries.

Threats of LV

The same threat that faces all other organisations is the fierce competition in the field. The rising competitiveness from emerging nations has also had a huge impact. The marketing and sales were being slowed down by only a few of the international trade policies of the

government (Shay et al., 2019). The global financial crisis and recession are also having a negative impact on LV's sales and marketing.

External marketing drivers

The external drivers of LV are analysed with the help of a PESTLE analysis. This tool involves various components of functioning of an organisation that influences marketing. the PESTLE analysis of LV is as follows

Political factors:

Lack of political stability in nations is a challenging factor for the organisations. In LV as well, the exit of the UK from EU has resulted in a high import duties of the goods. Similarly, high import duties were introduced in China which makes a huge difference in the price of products (Budiman, 2021). The price variation also makes LV to expand its market in nations that are attracted by tourists.

Social factors: the recent trends in the current luxury market demonstrates the tendency of people to purchase from exclusive luxury brands rather than established ones. This provides an opportunity for the European brands to take advantage over the others (Xie and Youn, 202). Market segmentation of LV has to be established properly to focus on the particular customer group.

Economic factors: global economic crisis as faced by any other organisation is affecting LV as well. During recession times, customers tend to purchase less expensive goods. LV must establish investments in countries like India where low labor cost can benefit the organisation (Anand, 2020).

Technological factors: One of the issues with LV is the availability of their products. They have made available only through stores and their official ecommerce portal. They must make appearance in platforms like Amazon. LV must also involve in active social media activities in Facebook, Instagram, YouTube and twitter (Onegi et al., 2019). Efficient technological interventions are required in all the aspects that are necessary to narrow down cost.

Legal factors: When it comes to luxury brands, there are various legal aspects that needs to be fulfilled. It is necessary for LV to have a better understanding of the business laws and employment laws of the nation they are intended in investing in (Liu et al., 2021).

Environmental factors: Since many customers are environmental conscious, LV has taken up measures to reduce its carbon emissions. LV also focus on reducing the textile waste and harmful chemicals (Chen and Lin, 2019). Yet the materials from animal skin makes the brand to have a poor rating on animal welfare.

Role of marketing in an organisation

Marketing department of an organisation plays an important role in the overall performance and activities of the organisation. entering the global market and attaining business success is the goal of organisation. marketing team has a lot of roles and responsibilities when it comes to framing of the organisational activities into a substantial growth pattern (Sand, 2019). Some of the significant aspects of the marketing within an organisation is represented below;

Outlining of the market activity and strategy: the marketing manager and the senior marketing employees are engaged in developing marketing strategies that are suitable for the products and services from that organisation (Doo, 2020). these strategies defined will be executed by the team members to obtain the goals of the organisation.

Organising market research: The analysis of the marketing activities are carried out to discuss which areas of the market needs to be targeted. Market research can also involve interaction of the marketing team members and customers (Lim et al., 2021). marketing department is responsible for analysing this information and to undertake actions about this.

Managing and planning of events: marketing department of an organisation includes planning and programming of various range of events. This includes webinars that are designed to create various leads regarding the different products and marketing events.

Assistance with product development: marketing team is the department that develops an understanding of the potential customer base, competitor offerings, target market and product development department. The marketing department is involved in communicating with the product developers and to gather feedback from the customers and to undertake necessary actions to address the feedbacks received from the customers (Gurzi et al., 2019).

Supporting of sales and distribution: one of the vital parts of the marketing department of the organisation is to support sales and distribution teams (Samdanis et al., 2019). These

interventions are to ensure that the sales and distribution activities of the organisation are carried out effectively.

Strategizing and spreading of promotion: promotion is one of the major activities that are undertaken by the marketing department of any organisation. strategizing and efficient execution of these promotional activities through digital media, print, and other platforms are carried out by the marketing team of the organisation.

Managing of internal relations and communications: It is the duty of the marketing department of an organisation to efficiently communicate the information among the employees and the closely functioning departments within the organisation (Yu et al., 2020). partnering in an effective way and functioning with other marketing related aspects is a major responsibility. Marketing managers are responsible for handling of managing, partnering with, and co ordinating of cross functional teams while delivering adequate support for the sales team.

Recommendations for future

There were various marketing strategies and other interventions that made LV to undertake measures that are necessary for the sustainable growth and development of the brand. Major issues that LV had to face were regarding the sustainability practices, animal welfare and costs.

Focus on sustainability practices

LV must undertake measures to reduce the impact in the environment and to reduce the carbon emission. The fashion industry is considered to be creating a huge amount of ware that is responsible for oceanic microplastic flows, and carbon emission. Here LV is not exception to this. LV has been criticised for the less sustainable practices (Gupta and Banerjee, 2019). There are no evidences that LV is aimed at reducing the wate generation, and use of eco friendly substances. Similar to any other fashion brands, LV also burns out the unsold stock, which further adds to the environmental impact.

Labour conditions

The brand has always faced issues with the way it treats its employees. The brand could only obtain a less score in the fashion transparency index that is calculated annually. During the pandemic, LV was not involved in undertaking necessary measures that are necessary for the safety and protection of the suppliers. Since people make a large part of the fashion industry, LV has to do much better and provide safe working conditions for the employees.

Animal welfare activities

Louis Vuitton is rated to be very poor when it comes to determining the animal welfare activities. Different products such as leather, wool, exotic animal skin and hair and fur is the reason behind having a poor rating in the animal welfare aspect (Yu and Hu, 2020). In the present scenario, where animals are considered to be protected and given priority, the products of LV are not falling in line with the protection of the animals and fellow creatures.

Focus on the cultural activities

Many of the Louis Vuitton workers staged a walkout from its manufacturing units and factories in France, they claimed that they are doing fantastic work for pitiful salaries. This was reported by Fashion Network. LV needs to focus on sorting out these types of labor disputes that were occurring to ensure a smooth functioning and operations (Kefi and Maar, 2020). There were challenges from the side of workers regarding the payments they are receiving.

Conclusion

The report has demonstrated the internal and external market analysis of the luxurious fashion brand LV along with its marketing interventions. The assessment further developed appropriate recommendations that will aid the brand in the future.

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