

A Study on Macro Environment Analysis For The Aesthetic Industry in Taiwan

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Abstract

In order to thoroughly understand the macro environment of the aesthetic industry in Taiwan, the study utilized PEST model (which including political, economic, social and technological) proposed by Dr. Francis to analyze the outer environment for the related practitioners so that, hopefully, it would be easier for them to succeed when they go to the business. Results and conclusion are also provided for the practitioners' references.

Keywords: aesthetic industry, PEST, practitioners

1.Introduction

The present study analyzes the macro environment according to the PEST model, which is proposed by Dr. Francis J Aguilar of Harvard University in 1967 (Aguilar,1967; Porter, 1980). PEST is the indicator to evaluate the outer environment for the business. Of which, P is political; E refers to economic; S means social; while T stands for technological. The four factors play critical roles for predicting future development and strategic formulation of any industry. The PEST instrument is also helpful in understanding the growth or decline of a market; the circumstances where the business in, as well as the potentiality and direction of the business. Business has to analyze the contemporary situation based on the four indicators in order to make beneficial product and market development strategy.

2. Theory and Context

The present study is now exploring the four indicators in terms of aesthetic industry in Taiwan:

2.1 Political factor:

2.1.1 In Taiwan, the government provides compensation for the aesthetic training in order to stimulate labor's spontaneous learning and accumulate labor's personal

human resource capital so that lifting the national human resource capital objective would be reached.

2.1.2 Cosmetics hygienic management regulation in Taiwan regulated that the practitioners in the aesthetic industry are not allowed to declare the medical efficiency of the related aesthetic commercial behavior.

2.1.3 The related authorization has strictly found the supervision mechanism and management regulation for the aesthetic industry.

2.1.4 In order to carry out the objective of industry upgrade, increasing the quality of professional talent and meet the needs of social development, the government keeps promoting the system of skills certification for beauty technician.

2.1.5 The laws and regulations in Taiwan regulated that those who perform professional job have to obtain the certification of beauty technician, then business employers could offer reward incentives such as pay-raise or promotion based on the professional certification.

2.1.6 It is to strengthen the aesthetic professional's competitiveness and professional skill so the government keeps promoting the system of skills certification for beauty technician.

2.1.7 It is government policy to train excellent and professional practitioners to build up the aesthetic practitioner's professional image. Their revenue and service quality of the industry is therefore highly increased.

2.1.8 The aesthetic practitioners who did not obey the related regulation and adopted low price or poor quality material will be fined by the government.

2.2 Economic factor:

2.2.1 The distributors with high market share provide Internet shopping system would keep their influence on the related consuming way.

2.2.2 The practitioners should actively hold the business opportunity between the two sides of the strait.

2.2.3 The government is trying efforts to develop new market and industry. In the mean time, creating new economic efficiency and lift the economy and unemployment rate is also being well controlled.

2.2.4 In these years, the gross national product is going up and up and the government also encourages the domestic demands. Therefore, it is beneficial to the market is terms of the aesthetic product, which is unnecessary daily product.

2.2.5 The cosmetics-related products practitioners and pharmacy stores utilized special events to promote and attract customers so that the whole sales volume would be increased.

2.2.6 People in the modern era are with more advanced concept keeping in good health so the expenditure in aesthetic SPA is increasing (Barber,2008).

2.2.7 The consumption power of the youth is highly increased in these years.

2.2.8 For the highly competitive market in the industry, the practitioners tend to utilize media, Internet, news paper or magazine to create their reputation.

2.2.9 The government is encouraging art design and creation, this indirectly lead to the prosperity of the cosmetic products market.

2.3. Social factor:

2.3.1 People nowadays do have higher income than before; they are more willing to pay more on health care and aesthetic maintenance. The aesthetic industry is therefore more prosperous than before. (Black, 2004).

2.3.2 In order to avoid the related aesthetic or medical accident, increasing professional certification holding rate becomes essential. Because professional certification is the indicator of professional skill level and the evidence of quality service proof.

2.3.3 The practitioners who hold the professional certification do have the knowledge of professional ethics, public safety, and hygienic safety.

2.3.4 Business managers think highly of the professional ability and service quality of the certification holders. It is anticipated to improve the competitiveness of workplace when the skills are applied to the practical field.

2.3.5 Standing in the front line of service industry, the certification holder's linguistic ability, communication skill and customer service quality are always the most concern of the employers.

2.3.6 The aesthetic practitioner's attitude has to meet the requirements of the society and business so that they would be able to acquire the identification from the public.

2.3.7 People's value in the recent years has been highly lifted, so the related practitioners have more opportunities to create wealth.

2.3.8 People tend to pursue better image for personal objective and this lead to the significant growth in cosmetics sales volume.

2.3.9 For people's value is changing, the consumption of male is going higher and higher. A lot of cosmetics designed for men are then become more popular than before.

2.3.10 In the era of low-birth rate, people believe that they could be easier to be employed if they are specialized in a certain field.

2.3.11 In order to cover the needs of the society, the contents of the aesthetic

industry is pretty diversified, such as: hair care products, cosmetics, perfume, SPA, and facial care products (Gimlin, 2002).

2.4. Technological factor:

2.4.1 People expect to live longer and healthier in the aging society. It is because technology is constantly changing, people have higher requirements in improving life quality. Additionally, the high technological instruments easily improved the service quality by way of new instruments, new software, new technique and new material.

2.4.2 High technological aesthetic service remains the point of the key development in aesthetic industry.

2.4.3 Purchasing high technological instruments to provide better service for the public in aesthetic industry remains the latest trend in terms of aesthetic industry.

2.4.4 Extracting natural ingredients through advanced technological instruments is the newest direction in aesthetic industry.

2.4.5 The invention of new instruments leads to the fulfillment of lifting production capacity and high rate of return. For example: it takes so much time to do eyebrow embroidery and tattoo in the early times, after the invention of the advanced machine, it not only saves much time, but also greatly improved the service quality (Chisholm & Ely 1976).

2.4.6 The trend of machine development greatly speeds up in these years. This highly improved technique for the aesthetic practitioners and increased job efficiency as well as their revenue.

2.4.7 In order to meet individual's needs, compound function products are introduced to adapt various skin types. This is widely approved by the public.

3. Conclusion

Based on the above statements, it is obvious that the aesthetic practitioners are in a fast changing environment. However, pertinently speaking, no matter how the outer environment changes, one can hold stable position if only he could understand the ways to follow the trend. The PEST model fully describes how the aesthetic industry changes, which provides very beneficial references for the practitioners to stay in the competitive environment.



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