



Business Club

SWOT Analysis



Strategy Team, Business Club
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SWOT

S: Strengths

W: Weaknesses

O: Opportunities

T: Threats

SWOT is a method (plan) that is used to measure the strengths, weaknesses, opportunities and threats of any organization or business. We look at different factors and what categories they fall under in a matrix. The SWOT matrix is grouped by primarily two factors: Internal or External (There is another minor grouping of Negative and Positive)

SWOT ANALYSIS

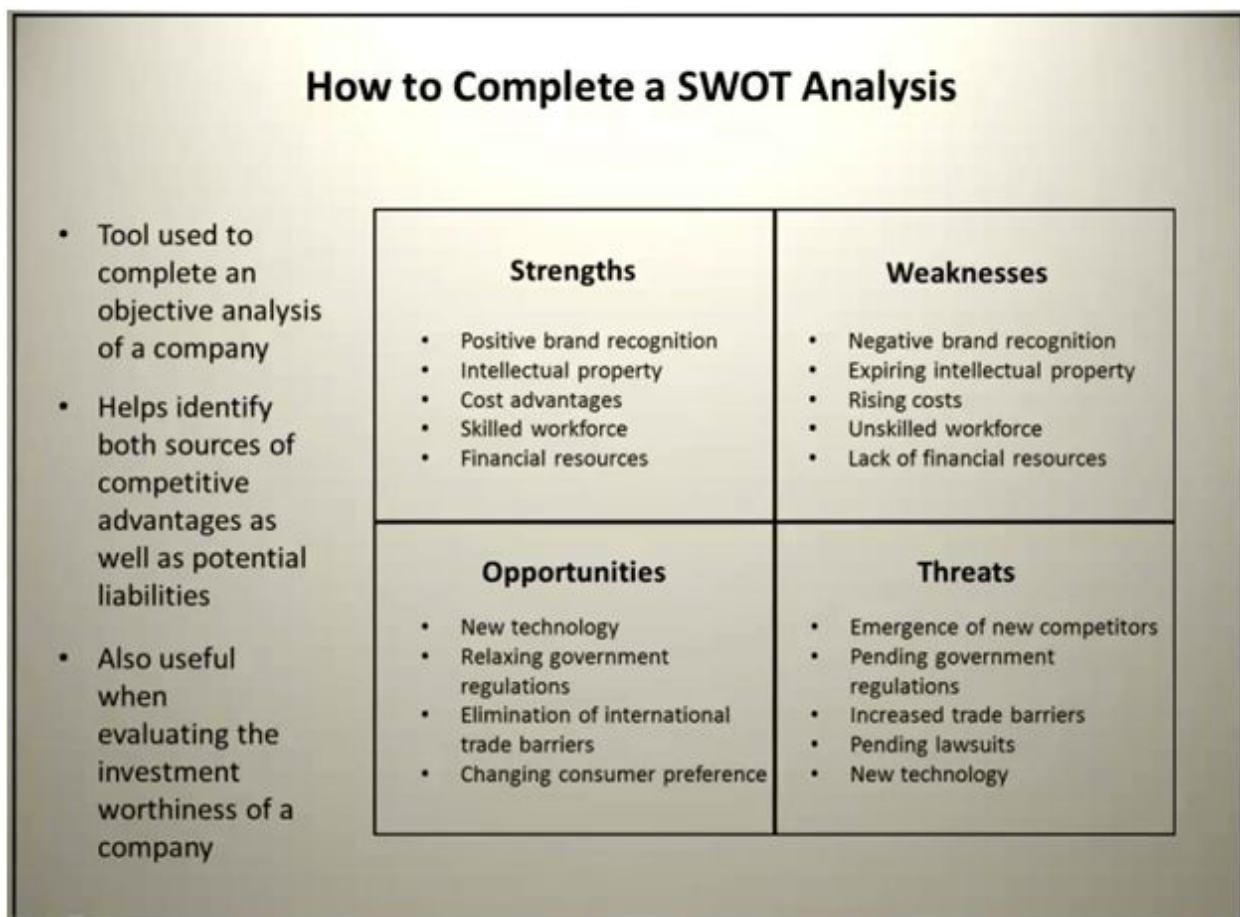


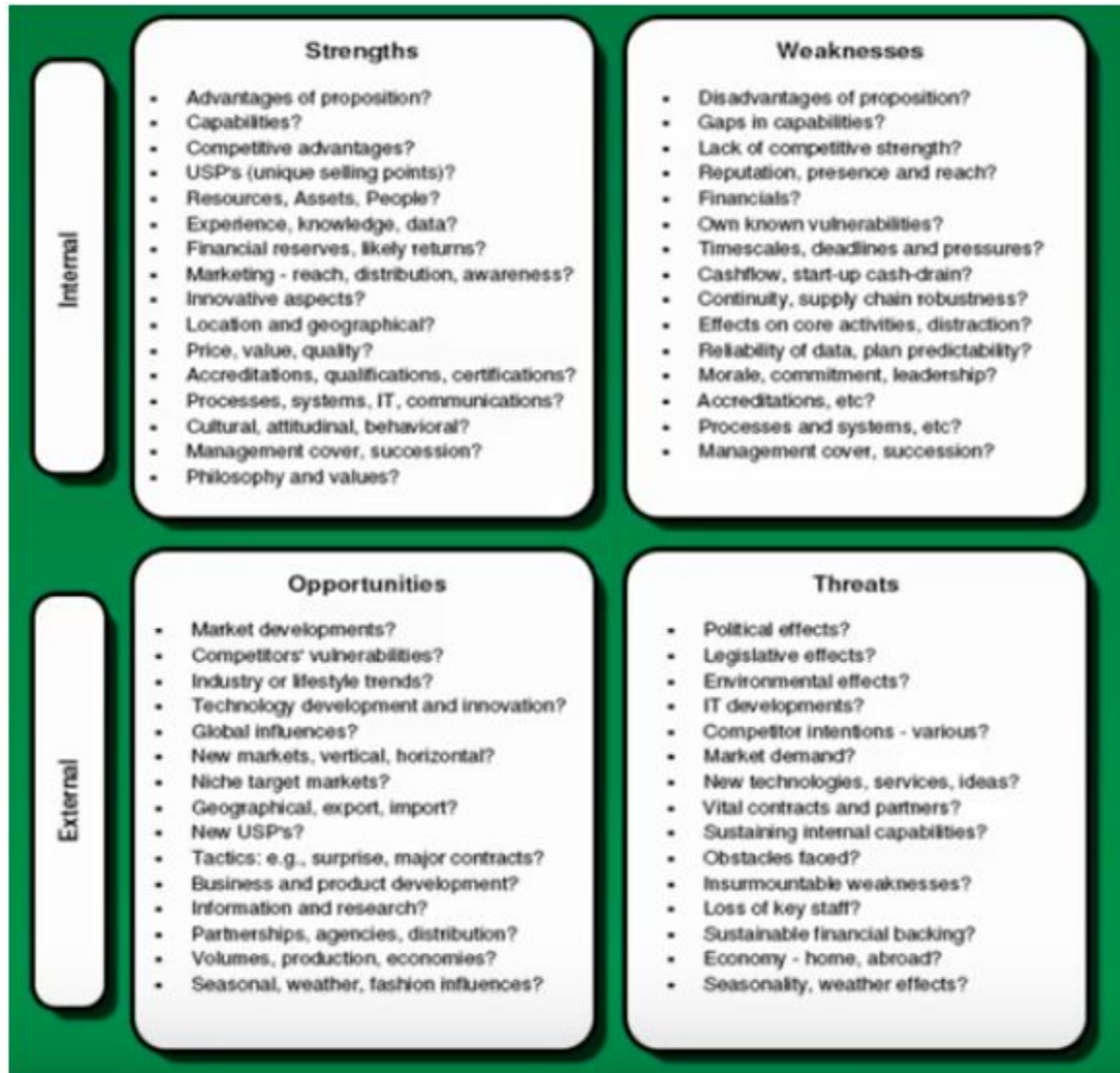
Internal factors: These are factors that the organization can control. These include the strength and weaknesses. The organization can look at their strengths and weaknesses and manipulate them as to benefit the company. Some examples of these are:

- Physical resources: buildings and equipments, people (staff, target population etc)
- Finances: (funding and sources of income)
- Processes that happens within the company: Systems and employments
- Manufacturing powers
- Marketing decisions

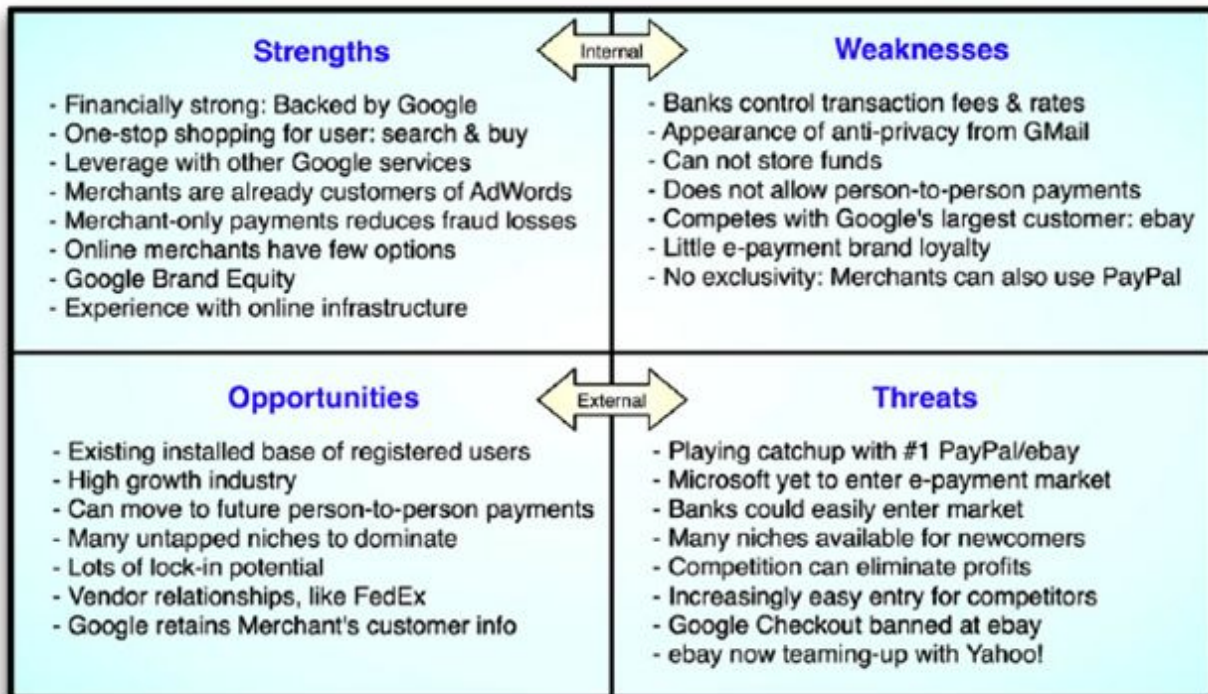
External Factors: These are factors that the organization cannot control. These include the threats and opportunities. The organization can look at threats and prepare them to avoid hurdles or mitigate problems. They can also find opportunities in order to benefit from them. Some examples of these are:

- Trends and shifting culture in the community
- The economy
- Funding resources
- Government and laws
- Events in the community and the world that may affect the organization
- Environment (location, weather etc)
- Demographic





EXAMPLE: GOOGLE CHECKOUT



Where can SWOT be used?

- New solutions to problems
- Way to communicate with members
- To summarize systems and processes as an evaluation
- What to change the direction of companies
- Identify threats and barriers
- Focus and enhance strengths and opportunities

TOWS

TOWS analysis originates from the SWOT analysis with the same acronyms of Threats, Opportunities, Weaknesses and Strengths. However, unlike SWOT analysis, TOWS shows us the interrelation between these different factors and helps us generate solutions and other paths to take for the organization. TOWS matches internal and external factors and forms strategies for the organization to use. It can help the organization take advantage of opportunities, minimize threats, tame weaknesses and exploit strengths.

Strength/Opportunity (SO). This is where we have the greatest potential where we can use out strengths to exploit opportunities.

Ex: Using great brand recognition as opportunity to launch a new product

Weakness/Opportunity (WO). Taking advantage of opportunities in order to minimize weaknesses

Ex: Outsourcing jobs to increase staffing

Strength/Threat (ST). Using strengths to reduce threats

Ex: Investing vast amounts of resources in an emerging (soon to be successful) market

Weakness/Threat (WT). This is the most detrimental case to the organization, Here we use our planning to reduce risks and threats by minimizing weaknesses and preparing for problems before hand. Here we mitigate any weakness to avoid potential threats.

Ex: Withdrawing from a failing product from a competitive market to avoid loss

TOWS Analysis

INTERNAL FACTORS			
EXTERNAL FACTORS		Strengths (S)	Weaknesses (W)
	Opportunities (O)	Strengths/ Opportunities (SO)	Weaknesses/ Opportunities (WO)
	Threats (T)	Strengths/ Threats (ST)	Weaknesses/ Threats (WT)

www.marketingteacher.com/tows-analysis/

SWOT analysis on Patanjali

Strengths

Baba Ramdev's popularity: The rise of PAL has been nothing short of meteoric and such an exponential growth of Patanjali in the FMCG brand definitely owes to Baba Ramdev's popularity who is the founder of Patanjali and who himself is the greatest and the trusted brand ambassador for the company.

Evoking Patriotism: Since most of the FMCGs are from international brands, Patanjali promotes itself as a brand made in India and always try to bring the patriotic instinct among the Indian consumers to encourage them to buy Patanjali goods and thus encourage the domestic production and economy.

Ayurveda & Herbals: India is known for its magical Ayurveda since ages. Patanjali has meticulously incorporated this concept of Ayurveda in its herbal products which is positively accepted by its consumers.

Strong Distribution Network: Patanjali products are sold through medical centres such as Patanjali Chikitsalayas and Patanjali Arogya Kendras, non-medical centres such as Swadeshi Kendras. Patanjali already has 15,000 outlets across India. PAL products are also available in modern trade stores including Reliance retail, Hyper city and Star Bazaar. They stuck a unique arrangement with Reliance Retail for an exclusive Kiosk in its stores, a privilege no other company gets.

Penetration Pricing: Most of the Patanjali products are 15-20% cheaper than the other brands forcing the competitors to come up with new offers and schemes. Instead of focusing on outsourcing, Patanjali has flourished on a "backward integration model" having direct interaction with farmers to cultivate and grow various herbal ingredients as per their requirement. As a result the middle costs are cut off which reduces the overall price of Patanjali products.

A comparison of prices for some products is given below are given below:

Price comparison	Patanjali	Other brands
Chyawanprash(500gm)	Rs 115	Rs 160
Honey (500gm)	Rs 135	Rs199
Shampoo	Rs110	Rs 159

E-commerce advantage: PAL products just started retailing at e-commerce site “Big Basket” and in talk with “Amazon” which has started a new food and grocery gourmet category. So, consumers who lack nearby Patanjali retailing shops can also bring the Patanjali products home online.

Strong consumer loyalty: Not just its consumer are sticking to its Products, many of them are acting as “Brand Ambassador”. The consumers like PAL products due to various factors like superior perceived quality at low Price, Faith in Brand and trusted Brand Ambassador Baba Ramdev.

Weakness:

Over dependency on Ramdev: No doubt the names of Patanjali and Baba Ramdev goes hand in hand. Since Baba Ramdev is a popular political figure, if at all he is targeted for any political vendetta, Patanjali will also suffer.

A low no. of manufacturing units: Though PAL is growing faster, still it has to focus on increasing the no. of manufacturing units as the present no. is not sufficient enough to meet the increasing demand.

Product dependence: Though Patanjali have a no. of products under its umbrella, still major revenue is obtained from 5-6 products only including shampoo and toothpaste. Therefore, PAL has to concentrate on other products as well.

Lack of experienced management graduates: Patanjali does not have a large pool of management graduates and think tanks which can be a problem when they look for expansion throughout the country or globally.

Limited audience: The major challenge for Patanjali is to attract non-yoga audience as well as the brand savvy young generation. PAL should launch new products targeting younger generation and giving alternatives to their existing favorite brands at low price and superior quality.

Opportunity

Growing organic sector: Since there is an increased awareness about the advantages of using herbal and organic products even among the younger generation, Patanjali has a great opportunity to expand its market in herbal products. Earlier there was no assurance of brand in

herbal or Ayurved market, but after the emergence of Patanjali the scenario has definitely changed.

Expand rural: Since the Patanjali products has a greater direct links with farmers and rural people for the production, Patanjali has a huge potential of growth in the vast rural market of India.

Tie ups: Patanjali has successfully tied up with Future group and should continue tie up with modern retail chains and increase its E-commerce sales.

Diversify: Patanjali has taken up several products under its umbrella already. But still it should increase its scope in industries such as clothing and accessories. The idea of promoting Khadi as a new style statement could help sustain the India originality of patanjali as well.

Threats

Increasing competition: After Patanjali opened the gates of Herbal market in India, many new competitors like Sri Ayurveda has emerged. Patanjali already has to fight with the existing competitors like Himalaya, Dabur, HUL, Marico etc.

Over dependence on natural products: Since Patanjali's tag value is natural products, factors such as poor rain, drought, etc. may affect the harvest and accordingly Patanjali may also suffer.

Price war: Massive competitors like HUL, Colgate, Dabur who already have deep pockets in the market will definitely respond to Patanjali. Such a price war will have drastic effect on Patanjali's profitability, especially because the brand is already selling at very low margins.

TOWS Analysis of Apple

SO Using strengths to capitalize on available opportunities:

- Mobile phones and portable laptops are products always in demand. It should try to bring astonishing innovations in its product which is definitely expected from such a big brand.
- With its esteemed financial clout and impressive brand image, it should diversify its products to enjoy greater profits and sales.
- It should try to develop mutual beneficial relationships with other brands to produce compatible goods. This will also help to explore other's customer's base.
- Increase the sale of iphones and other products through e-commerce.

WO – Overcome weaknesses to capitalize on opportunities:

- It should try to combine the innovations with affordability so that Apple products does not only remain confined to the rich elites of the society.
- It should try to expand its global market in Mexico, Portugal, France and Australia.

- Creating more warranty and recall centres would increase the customer's satisfaction towards the brand.

ST – Use strengths to avoid threats

- It should develop a large no. of products under its brand name to decrease the pressure of competitions.
- It should establish manufacturing units in countries with cheap labour and across different countries so as to decrease the manufacturing and transportation costs of the company and thereby reducing the price so as to attract the middle class population as well.
- It should focus on the culture change and the running trend across different parts of the country to connect to the indigenous population effectively.
- Should continue investment in effective R&D project that can help to be updated with latest innovations
- Powerful financial performance can help to win the investor's confidence and get the capital to invest into new showrooms and e-commerce.
- Purchase voice and data network will complement the Apple products and would create a strong competitive position to fight upon.

WT- Reduce weaknesses to avoid threats

- Should participate in local communities and charities to create positive image and spread the awareness about the brand in local people.
- The biggest weakness of Apple products is its extremely high cost. It should focus on ways to lower the prices and avoid the threat of losing the middle class section of the society.

- Should maintain strong long term relation with suppliers so as to enjoy the trust and eventually reduced cost of production from suppliers side.