

# SWOT Analysis

What is SWOT Analysis?

SWOT analysis is a basic, straightforward model that provides direction and serves as a basis for the development of marketing plans. It accomplishes this by assessing an organization's strengths (what an organization can do) and weaknesses (what an organization cannot do) in addition to opportunities (potential favorable conditions for an organization) and threats (potential unfavorable conditions for an organization). SWOT analysis is an important step in planning and its value is often underestimated despite the simplicity in creation. The role of SWOT analysis is to take the information from the environmental analysis and separate it into internal issues (strengths and weaknesses) and external issues (opportunities and threats). Once this is completed, SWOT analysis determines if the information indicates something that will assist the firm in accomplishing its objectives (a strength or opportunity), or if it indicates an obstacle that must be overcome or minimized to achieve desired results (weakness or threat).

Why use a SWOT Analysis?

In any business, it is imperative that the business be its own worst critic. A SWOT analysis forces an objective analysis of a company's position vis a vis its competitors and the marketplace. Simultaneously, an effective SWOT analysis will help determine in which areas a company is succeeding, allowing it to allocate resources in such a way as to maintain any dominant positions it may have.

## Elements of SWOT Analysis

### Strengths and Weaknesses

Relative to market needs and competitors' characteristics, a manager must begin to think in terms of what the firm can do well and where it may have deficiencies. Strengths and weaknesses exist internally within a firm, or in key relationships between the firm and its customers. SWOT analysis must be customer focused to gain maximum benefit, a strength is really meaningful only when it is useful in satisfying the needs of a customer. At this point, the strength becomes a capability.

When writing down strengths, it is imperative that they be considered from both the view of the firm as well as from the customers that are dealt with. These strengths should be realistic and not modest. A well-developed listing of strengths should be able to answer a couple of questions. What are the firm's advantages? What does the firm do well?

A customer-focused SWOT may also uncover a firm's potential weaknesses. Although some weaknesses may be harmless, those that relate to specific customer needs should be minimized if at all possible. In addition, a focus on a firm's strengths in advertising and promotion is important to increase awareness in areas that a firm excels in. This method not only evokes a positive response within the minds of the consumer, but pushes the weaknesses further from the decision making process.

Weaknesses should also be considered from an internal and external viewpoint. It is important that listing of a firm's weaknesses is truthful so that they may be overcome as quickly as possible. Delaying the discovery of weaknesses that already exist within a company will only further hurt the firm. A well-developed listing of weaknesses should be able to answer a few questions. What can be improved? What is done poorly? What should be avoided?

The role of the internal portion of SWOT is to determine where resources are available or lacking so that strengths and weaknesses can be identified. From this, the marketing manager can then develop marketing strategies that match these strengths with opportunities and thereby create new capabilities, which will then be part of subsequent SWOT analysis. At the same time, the manager can develop strategies to overcome the firm's weaknesses, or find ways to minimize the negative effects of these weaknesses.

### **Opportunities and Threats**

Managers who are caught up in developing strengths and capabilities may ignore the external environment. A mistake of this magnitude could lead to an efficient organization that is no longer effective when changes in the external environment prohibit the firm's ability to deliver value to its targeted customer segments. These changes can occur in the rate of overall market growth and in the competitive, economic, political/legal, technological, or sociocultural environments.

#### ***Changes in the Competitive Environment***

One of the largest trends in the U.S. economy in recent years has been the rapid decline in the number of small, independently owned retail businesses. Small mom-and-pop supermarkets and locally owned bookstores are fading away quickly and will soon be extinct. Likewise, many locally owned restaurants around the country are experiencing difficulties due to the growth of large, national restaurant chains. The most recent businesses to face extinction are neighborhood hardware stores, which have lost customers to retail giants such as Home Depot and Lowes. Although they cannot be competitive with pricing, hardware retailers such as Ace Hardware and True Value expect to survive by offering outstanding service and convenient locations.

#### ***Changes in the Sociocultural Environment***

Social and cultural influences cause changes in attitudes, beliefs, norms, customs, and lifestyles. A firm's ability to foresee changes in these areas can prove beneficial while failure to react to these changes can be devastating. For example, the sales of Mexican-food products have increased at an annual rate of approximately 12 percent. The trend went unnoticed by major food producers for a long time. However, Heinz Company recognized the existence of a viable opportunity and responded by introducing two versions of salsa-style ketchup. Although Heinz's strategy was sound, its salsa ketchup eventually failed due to poor distribution during the implementation.

Product modifications are often used to take advantage of market opportunities. However, these changes can also create potential new competitive threats. When Heinz introduced salsa-flavored ketchup, it added Old El Paso and Pace to its set of brand competitors that previously included Hunt's and Del Monte. Likewise, the action of other companies can



also change the competitive set. Failure to re-evaluate and realign the threats and opportunities in the sociocultural environment can hurt a firm.

### ***Changes in the Political/Legal Environment***

Regulatory actions by government agencies often restrict the activities of companies in affected industries. The American Disabilities Act of 1990 placed restrictions on the way firms construct their places of business and design jobs. Companies with significant investment facilities that did not comply with the law viewed its implementation as a major threat. On the other hand, companies that market products designed to assist disabled shoppers and employees saw the act as a key opportunity (Marketing Strategy, 1998).

Lawsuits against the tobacco industry have led to dramatic changes in the way cigarette companies market their product. Today, companies such as Phillip Morris are airing advertisements illustrating the negative effects of their products. In addition, a proposed settlement agreement between the industry and the attorney general of several states represent a threat that could result in a ban on some types of cigarette advertising and the regulation of nicotine by the FDA. As can be seen, it is important to identify political/legal threats and opportunities in order to keep an edge on the market (Austainer, 1999).

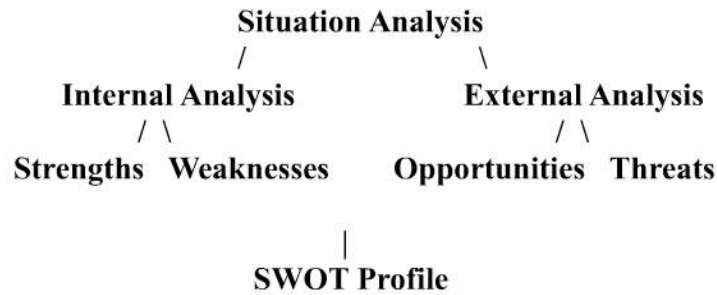
### ***Changes in the Internal Organizational Environment***

Various elements within an organization's internal environment can also have an impact on marketing activities. Changes in the structuring of departments, lines of authority, top management, or internal political climate can all create internal weaknesses that must be considered during the SWOT analysis as well as in the development of the marketing plan. McDonald's has recently been feeling increased competitive pressure from Wendy's and Burger King. In order to increase market share, McDonald's created new marketing campaigns and new sandwiches. However, McDonald's failed to get the cooperation of all its franchisees. When store sales began to fall, individual franchisees started to band together to gain power to protect their investments. The increased power of the franchisees forced McDonald's to pull several advertisement campaigns due to lack of support. Prior to this McDonald's was used to getting their way with franchisees. Now, the shift in power from McDonald's to its franchisees has created an internal weakness that the company must address as it develops and implements new marketing strategies. Again, it is necessary to emphasize the importance of evaluating specific opportunities and threats within your company.

### **Strategic Management – SWOT Analysis**

SWOT analysis is a simple framework for generating strategic alternatives from a situation analysis. It is application to either the corporate level or the business unit level and frequently appears in marketing plans. SWOT (sometimes referred to as TOWS) stands for Strengths, Weaknesses, Opportunities, and Threats. Edmund P. Learned described the SWOT framework in the late 1960's.

The following diagram shows how a SWOT analysis fits into a strategic situation.



The internal and external situation analysis can produce a large amount of information, much of which may not be highly relevant. The SWOT analysis can serve as an interpretative filter to reduce the information to a manageable quality of key issues. The SWOT analysis classifies the internal aspects of the company as strengths or weaknesses and the external situational factors as opportunities or threats. Strengths can serve as a foundation for building a competitive advantage, and weaknesses may hinder it. By understanding these four aspects of its situation, a firm can better leverage its strengths; correct its weaknesses, capitalize on golden opportunities, and deter potentially devastating threats.

### **Internal Analysis**

The internal analysis is a comprehensive evaluation of the internal environment's potential strengths and weaknesses. Factors should be evaluated across the organization in areas such as:

- **Company culture**
- **Company image**
- **Organizational structure**
- **Key staff**
- **Access to natural resources**
- **Position on the experience curve**
- **Operational capacity**
- **Operational efficiency**
- **Brand awareness**
- **Market share**
- **Financial resources**
- **Exclusive contracts**
- **Patents and trade secrets**

**The SWOT analysis summarizes the internal factors of the firm as a list of strengths and weaknesses.**

### **External Analysis**

An opportunity is the chance to introduce a new product or services that can generate superior returns. Opportunities can arise when changes occur in the external environment. Many of these changes can be perceived as threats to the market

position of existing products and many necessitate a change in the product specifications or the development of new products of new product in order for the firm to remain competitive. Changes in the external environment may be related to:

- **Customers**
- **Competitors**
- **Market trends**
- **Suppliers**
- **Partners**
- **Social changes**
- **New technology**
- **Economic environment**
- **Political and regulatory environment**

The SWOT analysis summarizes the external environment factors as a list of opportunities and threats.

### **SWOT Profile**

When the analysis has been completed, a SWOT profile can be generated and used as the basis of goal setting, strategy formulation, and implementation. The completed SWOT profile sometimes is arranged as follows:

<b>Strengths</b>	<b>Weaknesses</b>
1.	1.
2.	2.
3.	3.
.	.
.	.
.	.
<b>Opportunities</b>	<b>Threats</b>
1.	1.
2.	2.
3.	3.
.	.
.	.

When formulating strategy, the interaction of the quadrants in the SWOT profile becomes important. For example, the strength can be leveraged to pursue opportunities and to avoid threats, and managers can be alerted to weaknesses that might need to be overcome in order to successfully pursue opportunities.

### **Multiple Perspectives Needed.**



The method used to acquire the inputs to the SWOT matrix will affect the quality of the analysis. If the information is obtained hastily during a quick interview with the CEO, even though this one person may have a broad view of the company and industry, the information would represent a single viewpoint. The quality of the analysis will be improved greatly if interviews are held with a spectrum of stakeholders such as employees, suppliers, customers, and strategic partners.

**The TOWS MATRIX:** A modern tool for analysis of the Situation.

Today, strategy designers have been aided by a number of matrixes showing the relationships of critical variables. For example, the Boston Consulting Group developed the Business Portfolio Matrix. The TOWS Matrix has been introduced for analyzing the competitive situation of the company or even of a nation.

The TOWS Matrix has a wider scope, and it has different emphases from those of the Business Portfolio Matrix. The TOWS Matrix is a conceptual framework for a systematic analysis that facilities matching the external threats and opportunities with the internal weaknesses and strengths of the organization.

#### **Four Alternative Strategies**

The strategies are based on the analysis of the external environment (threat and opportunities) and the internal environment (weaknesses and strength).

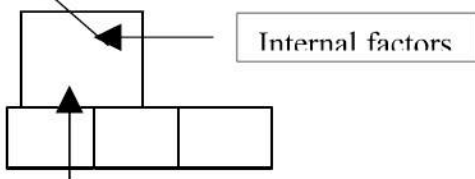
- The **WT** strategy aims to minimize both weaknesses and threats and may be called the “mini-mini” strategy. It may require that the company, for example, from a joint venture, retrench, or even liquidate.
- The **WO** strategy attempts to minimize the weaknesses and maximize the opportunities. Thus, a firm with certain weaknesses in some areas may either develop those areas within the enterprise or acquire the needed competencies (such as technology or persons with needed skills) from the outside, making it possible to take advantage of opportunities in the external environment.
- The **ST** strategy is based on the organization’s strength to deal with threats in the environment. The aim to maximize the former while minimizing the latter. Thus, a company may use its technological, financial, managerial, or marketing strengths to cope with the threats of a new product introduced by its competitor.
- The most desirable situation is one in which a company can use its strength to take advantage of opportunities (the **SO** strategy). Indeed, it is the aim of enterprises to move from other positions in the matrix to this one. If they have weaknesses, they will strive to overcome them, making them strengths. If they face threats, they will cope with them so that they can focus on opportunities.

#### **The TOWS Matrix for Strategy Formulation.**

<b>Internal factor</b>	<b>Internal strength (s)</b> E.g. strength in mgnt, operations, finance,	<b>Internal weaknesses (w)</b> E.g. weaknesses in areas shown in the box of
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<b>External factors</b>	marketing, R&D, engineering.	“strengths”									
<b>External opportunities (O)</b> (Consider risk also) E.g. current & future economics conditions, political & social changes, new products, services, and technology.	<b>SO strategy: Maxi-Max</b>  Potentially the most successful strategy, utilizing the organization’s strengths to take advantage of opportunities.	<table border="1"> <tr> <td></td> <td>S</td> <td>W</td> </tr> <tr> <td>O</td> <td>SO</td> <td>WO</td> </tr> <tr> <td>T</td> <td>ST</td> <td>WT</td> </tr> </table>		S	W	O	SO	WO	T	ST	WT
			S	W							
O	SO	WO									
T	ST	WT									
<b>External Threats (T):</b> E.g. lack of energy, competition, and areas similar to those shown in the “opportunities” box above.	<b>ST strategy: Maxi-Mini</b>  E.g. use of strength to cope with threats or to void threats.	<b>WO strategy: Mini-Max</b>  E.g. development strategy to overcome weaknesses in order to take advantage of opportunities.									
		<b>WT strategy: Mini-Max</b>  E.g. retrenchment, liquidation, or joint venture to minimize both weaknesses and threats.									

**FIG 1.2 DYNAMICS OF TOWS MATRIX ANALYSIS**



External factors

	S	W
O	SO	WO
T	ST	WT

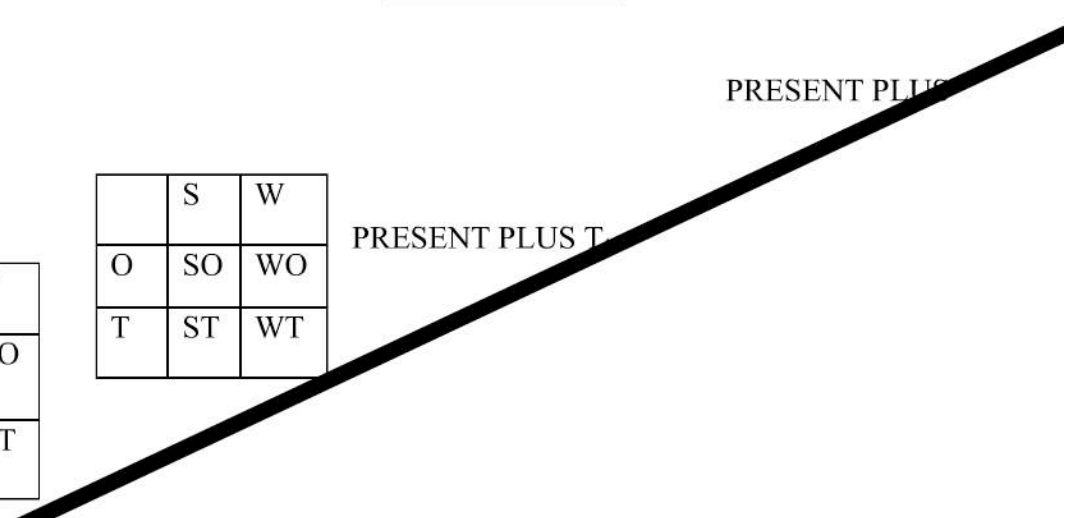
T<sub>2</sub>

	S	W
O	SO	WO
T	ST	WT

	S	W
O	SO	WO
T	ST	WT

PRESENT PLUS T

PRESENT PLUS





PRESENT

PAST

TIME

### **Time Dimension and the TOWS Matrix.**

So far, the factors deployed in the TOWS Matrix pertain to analysis at a particular point in time. However, external and internal environments are dynamic: Some factors change over time, while others change very little. Because of the dynamics in the environment, the strategy designer must prepare several TOWS Matrixes at different points I time. One may start with a TOWS analysis of the past, continue with an analysis of the present, and, perhaps most important, focus on different time periods ( $T_1$ ,  $T_2$ , etc.) in the future.

### **SWOT Analysis Limitations**

While useful for reducing a large quantity of situational factors into a more manageable profile, the SWOT framework has a tendency to oversimplify the situation by classifying the firm's environmental factors into categories in which they may not always fit. The classification of some factors as strength or weaknesses, or as opportunities or threats is somewhat arbitrary. For example, a particular company culture can be either strength or a weakness. A technological change can be either a threat or an opportunity. Perhaps what is more important than the superficial classification of these factors is the firm's awareness of them and its development of a strategic plan to use them to its advantage.

### **Conclusion**

It is not simply enough to identify the strengths, weaknesses, opportunities, and threats of a company. In applying the SWOT analysis it is necessary to minimize or avoid both weaknesses and threats. Weaknesses should be looked at in order to convert them into strengths. Likewise, threats should be converted into opportunities. Lastly, strengths and opportunities should be matched to optimize the potential of a firm. Applying SWOT in this fashion can obtain leverage for a company.

As can be seen, SWOT analysis can be extremely beneficial to those who objectively analyze their company. The marketing manager should have rough outline of potential marketing activities that can be used to take advantage of capabilities and convert weaknesses and threats. However, at this stage, there will likely be many potential directions for the managers to pursue. Due to the limited resources that most firms have, it is difficult to accomplish everything at once. The manager must prioritize all marketing activities and develop specific goals and objectives for the marketing plan (Contemporary Marketing, 1992).

### **Examples of SWOT analysis.**

#### **Using a SWOT Analysis in Your Career Planning**

A key tool in the strategic planning process can also be applied to career planning. This tool is a marketing analysis using the SWOT technique. A SWOT analysis focuses on the internal and external environments, examining strengths and weaknesses in the internal



environment and opportunities and threats in the external environment. Imagine your SWOT analysis to be structured like the table below:  
SWOT Analysis

<b>I N T E R N A L</b>	<b>Your Strengths</b>	<b>Your Weaknesses</b>
<b>E X T E R N A L</b>	<b>Opportunities in Your Career Field</b>	<b>Threats in Your Career Field</b>

To construct your own SWOT analysis to set a course for your career planning, examine your current situation. What are your strengths and weaknesses? How can you capitalize on your strengths and overcome your weaknesses? What are the external opportunities and threats in your chosen career field?

<b>I</b>	<b><u>Strengths</u></b>	<b><u>Weaknesses</u></b>
<b>N</b>	Internal positive aspects that are under control and upon which you may capitalize in planning	Internal negative aspects that are under your control and that you may plan to improve
<b>T</b>		
<b>E</b>	·Work Experience	·Lack of Work Experience
<b>R</b>	·Education, including value-added features	·Low GPA, wrong major
<b>N</b>	·Strong technical knowledge within your field (e.g. hardware, software, programming languages)	·Lack of goals, lack of self-knowledge, lack of specific job knowledge
<b>A</b>	·Specific transferable skills (e.g., communication, teamwork, leadership skills)	·Weak technical knowledge
<b>L</b>	·Personal characteristics (e.g., strong work ethic, self-discipline, ability to work under pressure, creativity, optimism, or a high level of energy)	·Weak skills (leadership, interpersonal, communication, teamwork)
	·Good contacts/successful networking	·Weak job-hunting skills
	·Interaction with professional	·Negative personal characteristics (e.g., poor work ethic, lack of discipline, lack of motivation, indecisiveness, shyness, too emotional)

	organizations	
<b>E X T E R N A L</b>	<p><b><u>Opportunities</u></b>  Positive external conditions that you do not control but of which you can plan to take advantage</p> <ul style="list-style-type: none"> <li>·Positive trends in your field that will create more jobs (e.g., growth, globalization, technological advances)</li> <li>·Opportunities you could have in the field by enhancing your education</li> <li>·Field is particularly in need of your set of skills</li> <li>·Opportunities you could have through greater self-knowledge, more specific job goals</li> <li>·Opportunities for advancement in your field</li> <li>·Opportunities for professional development in your field</li> <li>·Career path you've chosen provides unique opportunities</li> <li>·Geography</li> <li>·Strong network</li> </ul>	<p><b><u>Threats</u></b>  Negative external conditions that you do not control but the effect of which you may be able to lessen</p> <ul style="list-style-type: none"> <li>·Negative trends in your field that diminish jobs (downsizing, obsolescence)</li> <li>·Competition from your cohort of college graduates</li> <li>·Competitors with superior skills, experience, knowledge</li> <li>·Competitors with better job-hunting skills than you</li> <li>·Competitors who went to schools with better reputations.</li> <li>·Obstacles in your way (e.g., lack of the advanced education/training you need to take advantage of opportunities)</li> <li>·Limited advancement in your field, advancement is cut-throat and competitive</li> <li>·Limited professional development in your field, so it's hard to stay marketable</li> <li>· Companies are not hiring people with your major/degree</li> </ul>

To further refine your list of Strengths, Weaknesses, Opportunities, and Threats, you may also want to ask yourself some critical questions adapted in part from an article by Dave Jensen, managing director of Search Masters International.

Explore your own self-perception of your strengths, but also put yourself inside a prospective employer's head as you consider your strong points. Avoid false modesty, but also be brutally honest and realistic with yourself. Start out by simply making a list of words that describe you; chances do many of these characteristics comprise your strengths.

One of your greatest strengths can love the work you do. Learning to "follow your bliss" should be a critical component of managing your career. Some people know from an early age what kind of work will make them happy. For others, nailing down the self-knowledge that leads to career fulfillment comes from a process of exploring interests, skills, personality, learning style, and values. Take a look at some career assessment and exploration tools, such as those described in Career Assessment Tools and Tests. Take one or more of the tests and react to the results. Do the results match your general plans and expectations?



In assessing your weaknesses, think about what prospective employers might consider to be the areas you could improve upon. Facing your frailties now can give you a huge head start in career planning.

As humans, we find it relatively difficult to identify the areas where we are weak. But this assessment helps to identify areas where we may need to improve. If you identify a skill that you know is in your chosen field, but you are weak in that skill area, you need to take steps to improve that skill. Past performance appraisals and even your grades and teacher comments from school provide valuable feedback.

After you've analyzed your strengths, weaknesses, threats, and opportunities, you should use that information to plan how to market yourself.

**The marketing planning process entails a three-step process:**

1. determining objectives.
2. developing marketing strategies.
3. strategizing an action program.

**Objectives**—define your career objectives. What is your ideal job upon graduation (or the job you would like to transition to from your current job)? What are some other positions you could accept? What is your five-year career goal?

**Marketing Strategies**—a broad marketing strategy or “game plan” for attaining your objectives. What are the companies and organizations you’re going to target to obtain your objectives—your ideal job? How will you communicate with these firms? The strategies you identify should utilize all of the resources available to you, such as your personal network and a partnership with a mentor.

**Action Programs**—according to marketing principles, marketing strategies should be turned into specific action programs that answer a number of questions, including: What will be done? When will it be done? Who is responsible for doing it? Your key task here is setting specific timetables and deadlines for getting the career and company information you identified in the marketing strategy step.

### **Why use the tool?**

SWOT Analysis is an effective way of identifying your Strengths and Weaknesses, and of examining the Opportunities and Threats you face.

### **How to use tool:**

To carry out a SWOT Analysis writes down answers to the following questions. Where appropriate, use similar questions:

#### **Strengths:**

What advantages do you have?

What do you do well?

What relevant resources do you have access to?

What do other people see as your strengths?

Consider this from your own point of view and from the point of view of the people you deal with. Don't be modest. Be realistic. If you are having any difficulty with this, try writing down a list of your characteristics. Some of these will hopefully be strengths!



In looking at your strengths, think about them in relation to your competitors - for example, if all your competitors provide high quality products, then a high quality production process is not strength in the market, it is a necessity.

**Weaknesses:**

What could you improve?

What do you do badly?

What should you avoid?

Again, consider this from an internal and external basis: Do other people seem to perceive weaknesses that you do not see? Are your competitors doing any better than you? It is best to be realistic now, and face any unpleasant truths as soon as possible.

**Opportunities:**

Where are the good opportunities facing you?

What are the interesting trends you are aware of?

Useful opportunities can come from such things as:

Changes in technology and markets on both a broad and narrow scale

Changes in government policy related to your field

Changes in social patterns, population profiles, lifestyle changes, etc.

Local Events

A useful approach to looking at opportunities is to look at your strengths and ask yourself whether these open up any opportunities. Alternatively, look at your weaknesses and ask yourself whether you could open up opportunities by eliminating them.

**Threats:**

What obstacles do you face?

What is your competition doing?

Are the required specifications for your job, products or services changing?

Is changing technology threatening your position?

Do you have bad debt or cash-flow problems?

Could any of your weaknesses seriously threaten your business?

Carrying out this analysis will often be illuminating - both in terms of pointing out what needs to be done, and in putting problems into perspective.

**You can also apply SWOT analysis to your competitors. This may produce some interesting insights!**

**Example:**

A start-up small consultancy business might carry out the following SWOT analysis:

**Strengths:**

We are able to respond very quickly as we have no red tape, no need for higher management approval, etc.

We are able to give really good customer care, as the current small amount of work means we have plenty of time to devote to customers

Our lead consultant has strong reputation within the market  
We can change direction quickly if we find that our marketing is not working  
We have little overhead, so can offer good value to customers

**Weaknesses:**

Our company has no market presence or reputation  
We have a small staff with a shallow skills base in many areas  
We are vulnerable to vital staff being sick, leaving, etc.  
Our cash flow will be unreliable in the early stages

**Opportunities:**

Our business sector is expanding, with many future opportunities for success  
Our local council wants to encourage local businesses with work where possible  
Our competitors may be slow to adopt new technologies

**Threats:**

Will developments in technology change this market beyond our ability to adapt?  
A small change in focus of a large competitor might wipe out any market position we achieve  
The consultancy might therefore decide to specialize in rapid response, good value services to local businesses. Marketing would be in selected local publications, to get the greatest possible market presence for a set advertising budget. The consultancy should keep up-to-date with changes in technology where possible.

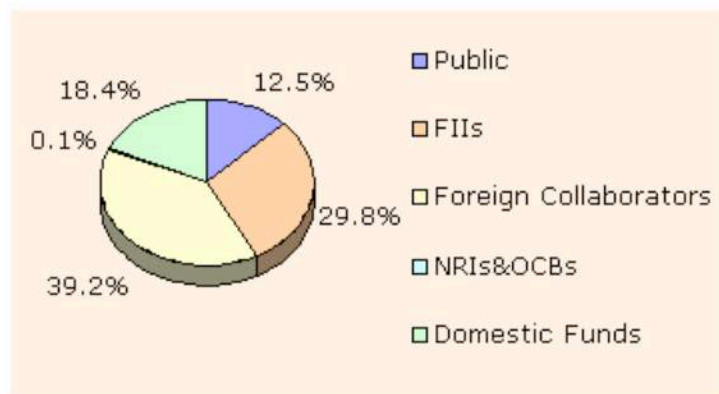
**Key points:**

**SWOT analysis is a framework for analyzing your strengths and weaknesses, and the opportunities and threats you face.**

This will help you to focus on your strengths, minimize weaknesses, and take the greatest possible advantage of opportunities available

**Example of TVS Group.**

TVS group of South India and Suzuki Motors of Japan established TVS Suzuki in 1982 as an Indo-Japanese joint venture. TVS Group has been a major auto components manufacturer and through this joint venture forayed into the two-wheeler business. It has evolved as one of the key players in the Motorcycle, Scooter & Moped segments. The company has an equity capital base of Rs.23.1 crore and the total number of shares outstanding are 2.31 crore. The face value per share is Rs. 10. The stock is currently, as on 16th May 2001, is trading at Rs. 93.50. The foreign collaborator is holding 30% stake in the company and during 1999 had tried to increase its stake by taking the domestic partners' stake as well but the plan didn't materialize. The free float available in the market is about 13%.



### Strengths:

- Technological support of Suzuki motors.
- The Brand image of the group to which TVS Suzuki belongs is a strength in itself, which gets transformed into widened customer base.
- The distribution network of TVS Suzuki is very wide and spread across the country.
- The market share in the mopeds segment is a major strength for the company as it is virtually dominating the market.
- Tamil Nadu is the 3rd largest state in the two-wheeler population and TVS Suzuki with its base in Tamil Nadu is dominating the market.

### Weaknesses:

- Dependence on Suzuki Motors for technology.
- As the TVS group has a major presence in South India, TVS Suzuki also has been more popular in South India. This has caused a regional dependency for TVS Suzuki. This calls for brand building in other parts of India as well.

### Opportunities:

- The motorcycle market has been growing at a phenomenal rate and there has been a shift in consumer preferences from 2-stroke mobikes to 4-stroke mobikes. This can be beneficial for TVS Suzuki as it has planned for a series of new product launch in the near future with 4-stroke as the main focus area.

### Threats:

- MNCs are targeting India in a big way. Already the signs have been there with Honda Corporation setting up a 100% subsidiary in India. This will lead to increased competition for TVS Suzuki.
- The technological dependence on Suzuki Motors would prove fatal if Suzuki does the Honda way. Suzuki Motors has already attempted to do it in August 1999 but was done away with due to the resistance of the Indian counterpart.
- The entry of Bajaj Auto Limited into the motorcycle segment has already signaled a fall in the market share of TVS Suzuki from 20% in FY99 to 18% in FY00. The market share in the motorcycles segment has been falling in all parts of the country. This is a crucial factor as it has lost market share even in the South India.



- The capacity expansion of Hero Honda, Bajaj Auto is a major threat, as TVS Suzuki has not planned any capacity expansion.

### **QUESTIONS.**

**Ques.1.**What is SWOT?

**Ques.2.**What is SWOT analysis?

**Ques.3.**Why use a SWOT Analysis?

**Ques.4.**How SWOT analyses can help a company or organization to formulate competitive strategies?

**Ques.5.**Which all factors one should take into consideration while doing SWOT analysis?

**Ques.6.**Explain Time Dimension and TOWS Matrix with help of a suitable illustration?

**Ques.7.**Explain TOWS Matrix a modern tool for analysis of the situation, with a suitable illustration.

**Ques.8.**How one can use SWOT as a tool in ones career planning.

**Ques.9.**What are the limitation of SWOT analysis.

**Ques.10.** Take any automobile company and do the SWOT analysis for the same.

**Ques.11.** Explain the four alternative strategies used while doing SWOT analysis.

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