



Chapter 4

Market Situation Assessment



SWOT Analysis

SWOT analysis is a tool used by executives to assess the current market situation. It helps in analyzing marketing opportunities and consists of both internal and external environmental factors:



Internal Environment (Controllable)

STRENGTHS

Advantages that benefit the business.

S

W

WEAKNESSES

Disadvantages or challenges within the business.

OPPORTUNITIES

Favorable conditions that benefit the business.

O

T

THREATS

Unfavorable conditions that may hinder business success.

External Environment (Uncontrollable)



TOWS Matrix

TOWS Matrix is a strategic tool applied at all levels (corporate, business unit, and operational levels). It helps in formulating strategies based on strengths, weaknesses, opportunities, and threats:

TOWS Matrix

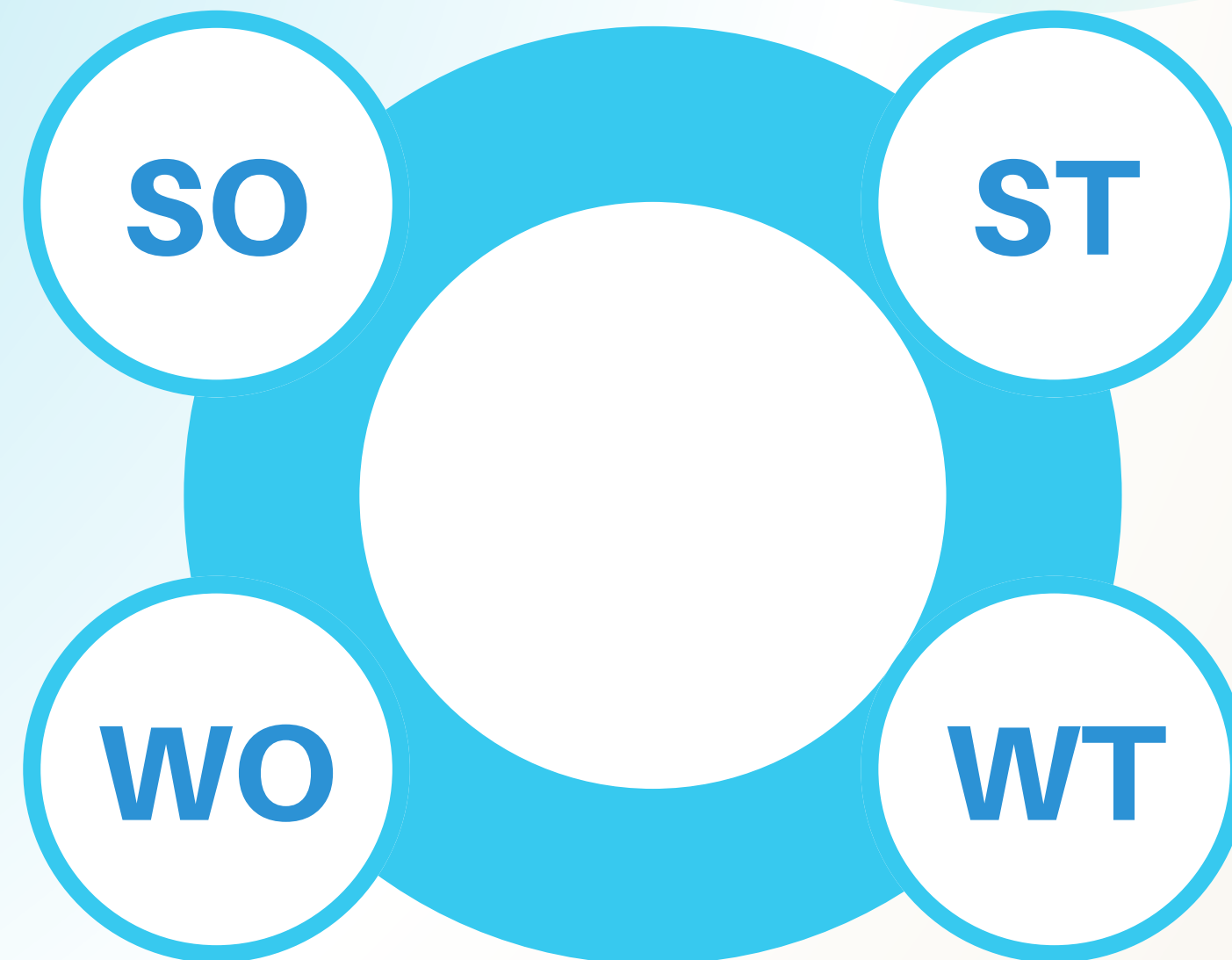


(SO) STRATEGY (AGGRESSIVE STRATEGY)

Uses strengths to take advantage of opportunities.

(WO) STRATEGY (CORRECTIVE STRATEGY)

Improves weaknesses to leverage opportunities.



(ST) STRATEGY (DEFENSIVE STRATEGY)

Uses strengths to overcome or mitigate threats.

(WT) STRATEGY (SURVIVAL STRATEGY)

Reduces weaknesses and avoids threats, sometimes involving business exit strategies like liquidation or divestment.



Examples of Organizational Strategies Using the TOWS Matrix

1. Corporate Strategy

- Strength: Strong financial resources
- Opportunity: Market liberalization
- Threat: Limited raw material suppliers
- Strategy: Invest in new liberalized industries, acquire raw material suppliers, or form joint ventures.



2. Business Unit Strategy (Example 1)



- Strength: High product quality
- Weakness: High production costs
- Opportunity: Growing demand for niche products
- Threat: High inflation rate
- Strategy: Focus on niche markets, increase product value, and enhance brand perception.

3. Business Unit Strategy (Example 2)

- Strength: Low production costs
- Weakness: Low product quality
- Opportunity: Diverse distribution channels
- Threat: Increasing customer demand for specialized products
- Strategy: Mass-market approach (Cost Leadership) and price competition while developing product variations.



4. Operational-Level Strategy



- **Strength:** Experienced workforce
- **Weakness:** Lack of IT skills
- **Opportunity:** Growth in workforce development institutions
- **Threat:** Labor laws restricting layoffs
- **Strategy:** Train employees to develop IT skills or analyze the cost-benefit of layoffs versus employee development.



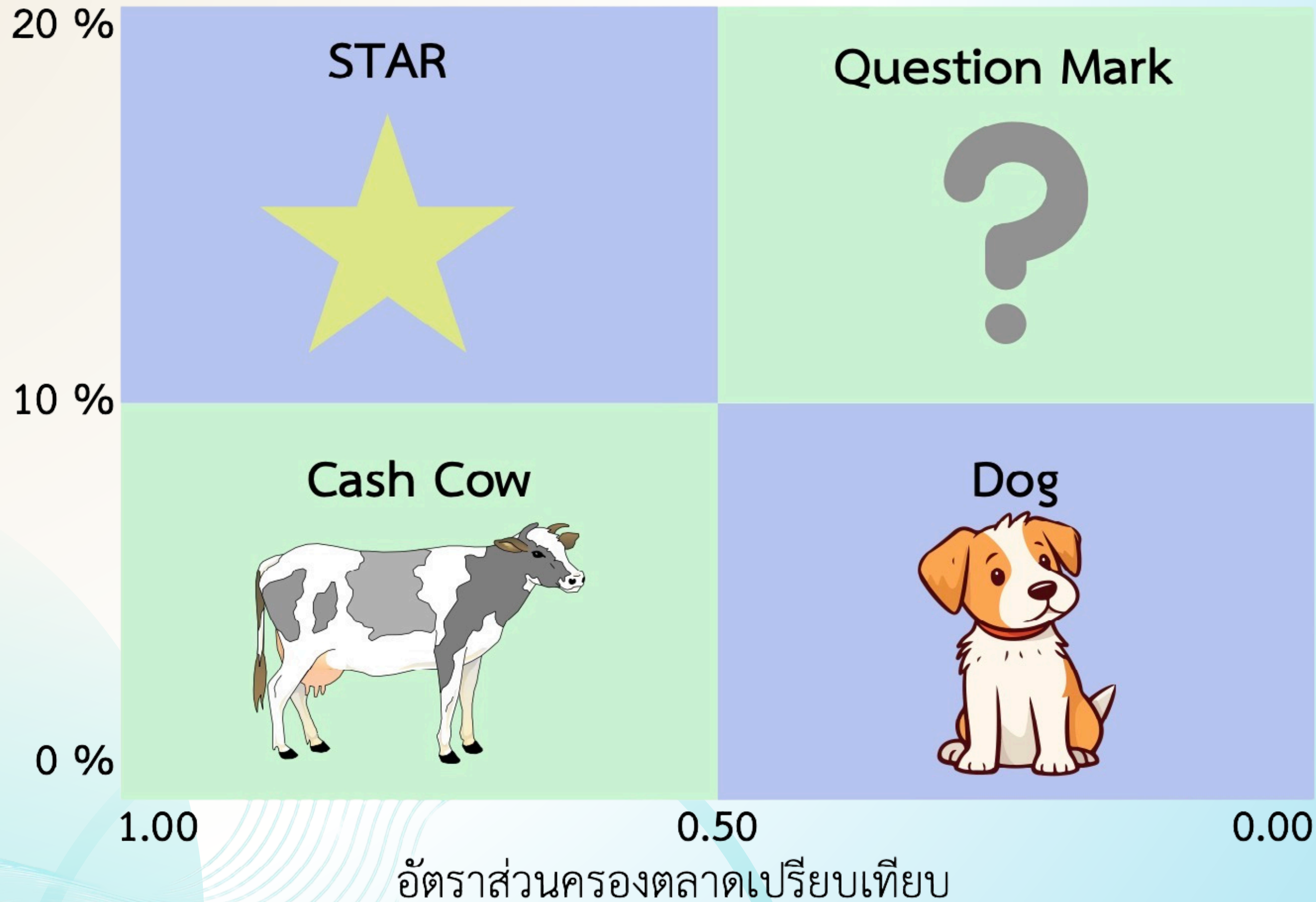
BCG Matrix

(Boston Consulting Group Matrix)

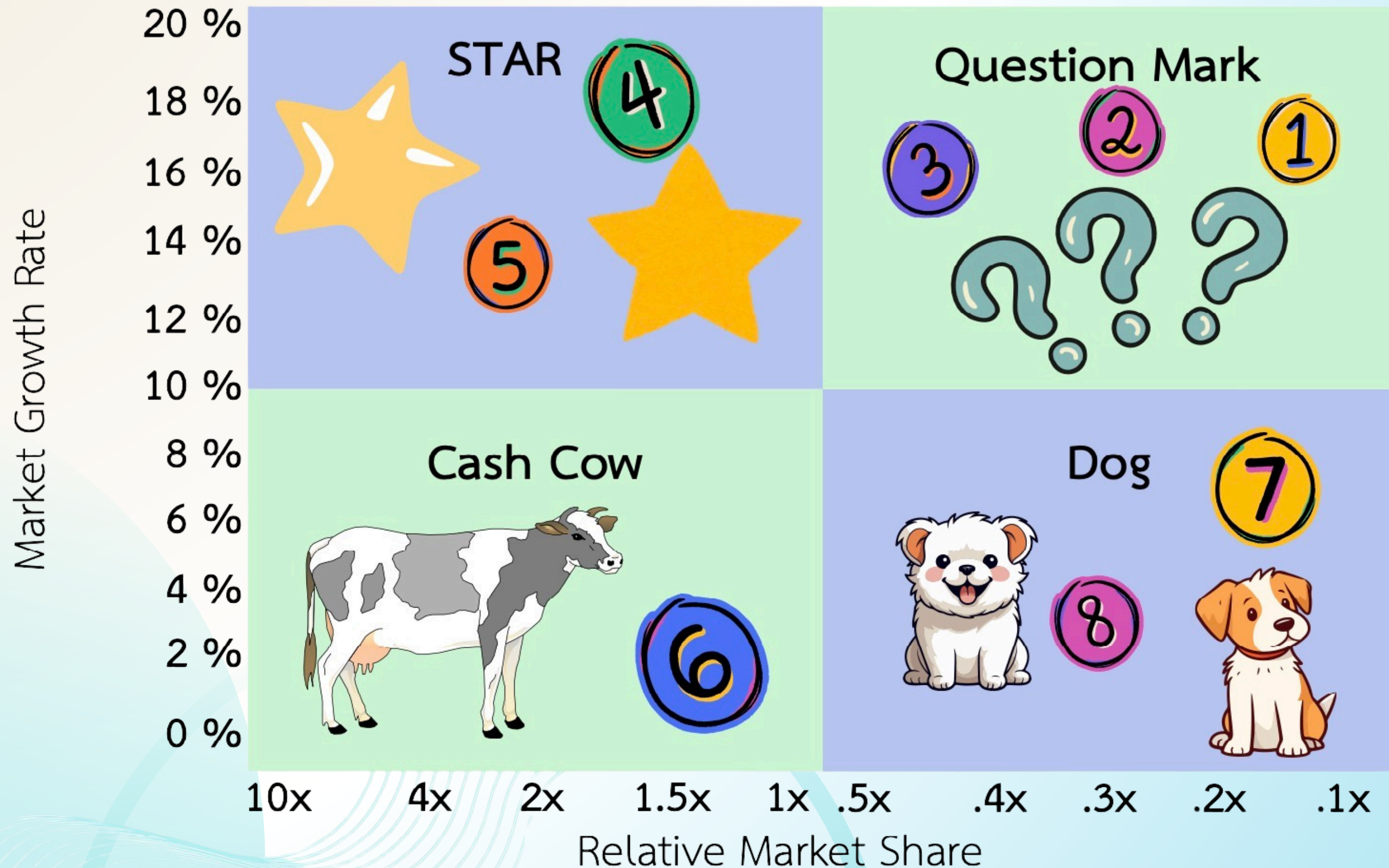
This matrix is used to evaluate business units or products based on market growth and relative market share

BCG Matrix

อัตราการเจริญเติบโตของอุตสาหกรรม

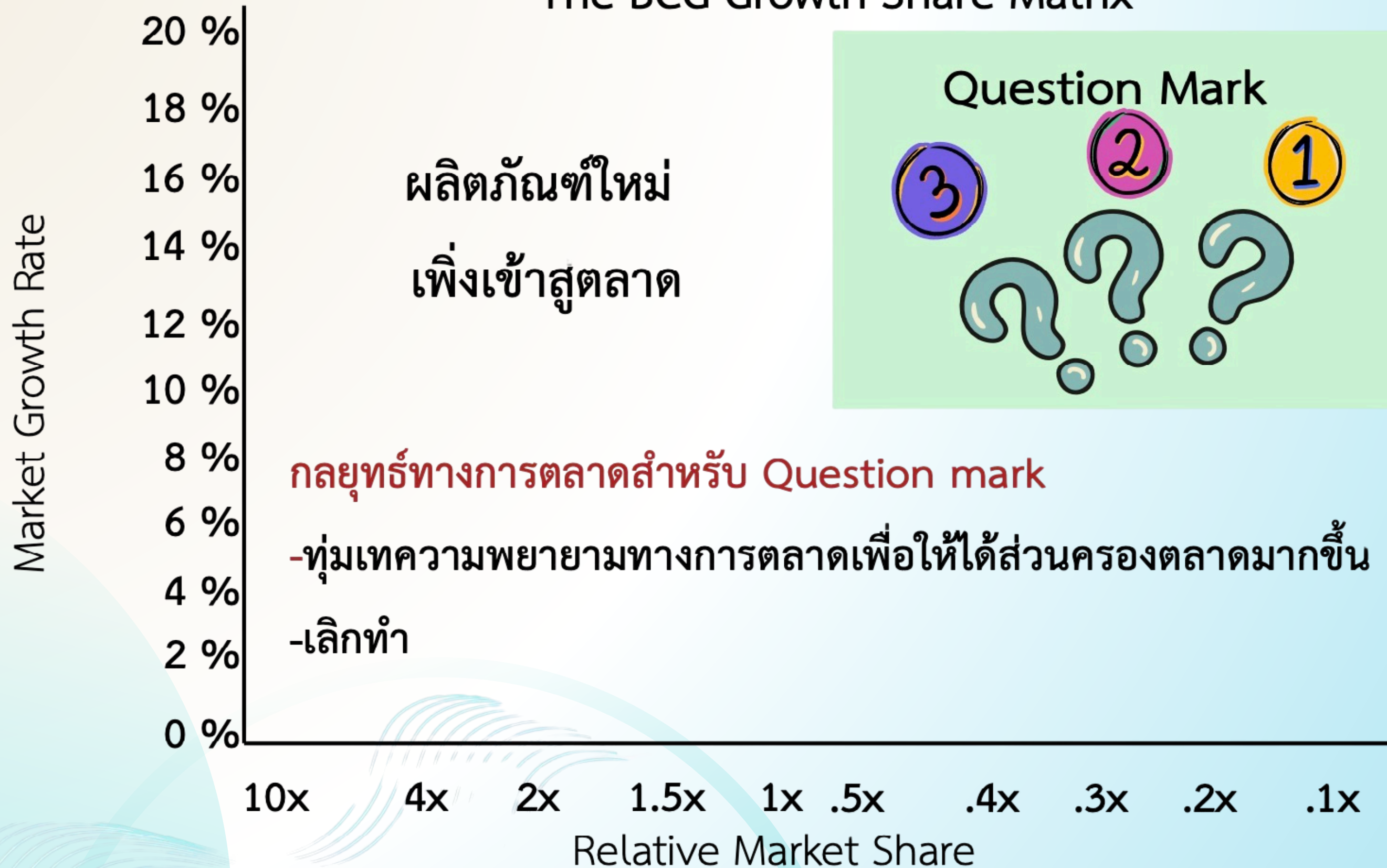


การวิเคราะห์ส่วนครองตลาดสัมพันธ์



การวิเคราะห์ส่วนครองตลาดสัมพันธ์

The BCG Growth-Share Matrix



การวิเคราะห์ส่วนครองตลาดสัมพัทธ์

The BCG Growth-Share Matrix



การวิเคราะห์ส่วนครองตลาดสัมพันธ์

The BCG Growth-Share Matrix



การวิเคราะห์ส่วนครองตลาดสัมพันธ์

The BCG Growth-Share Matrix



ผลิตภัณฑ์ที่ทำกำไรต่ำหรือขาดทุน
ตลาดไม่โต มีคู่แข่งมาก

Market Growth Rate

20 %
18 %
16 %
14 %
12 %
10 %
8 %
6 %
4 %
2 %
0 %

กลยุทธ์ทางการตลาดสำหรับ Dog

- ลดความพยายามทางการตลาด
- เลิกทำ
- เปลี่ยนตำแหน่งผลิตภัณฑ์



10x 4x 2x 1.5x 1x .5x .4x .3x .2x .1x
Relative Market Share



Question Marks



High market growth, low market share.

Strategies include investing for market share expansion or divestment if profitability is low.

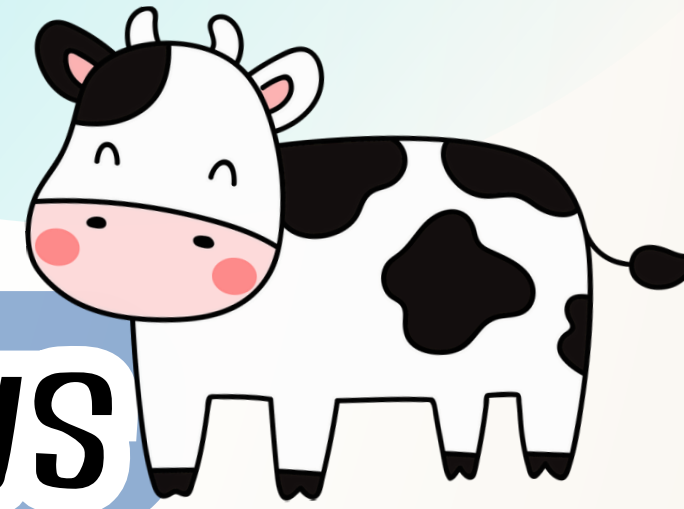


High market growth, high market share.

Strategies include heavy investment in growth and expansion.



Cash Cows



Low market growth, high market share. Strategies include maintaining market position and using profits to support other business units.



Dogs



High market growth, low market share.

Strategies include investing for market share expansion
or divestment if profitability is low.



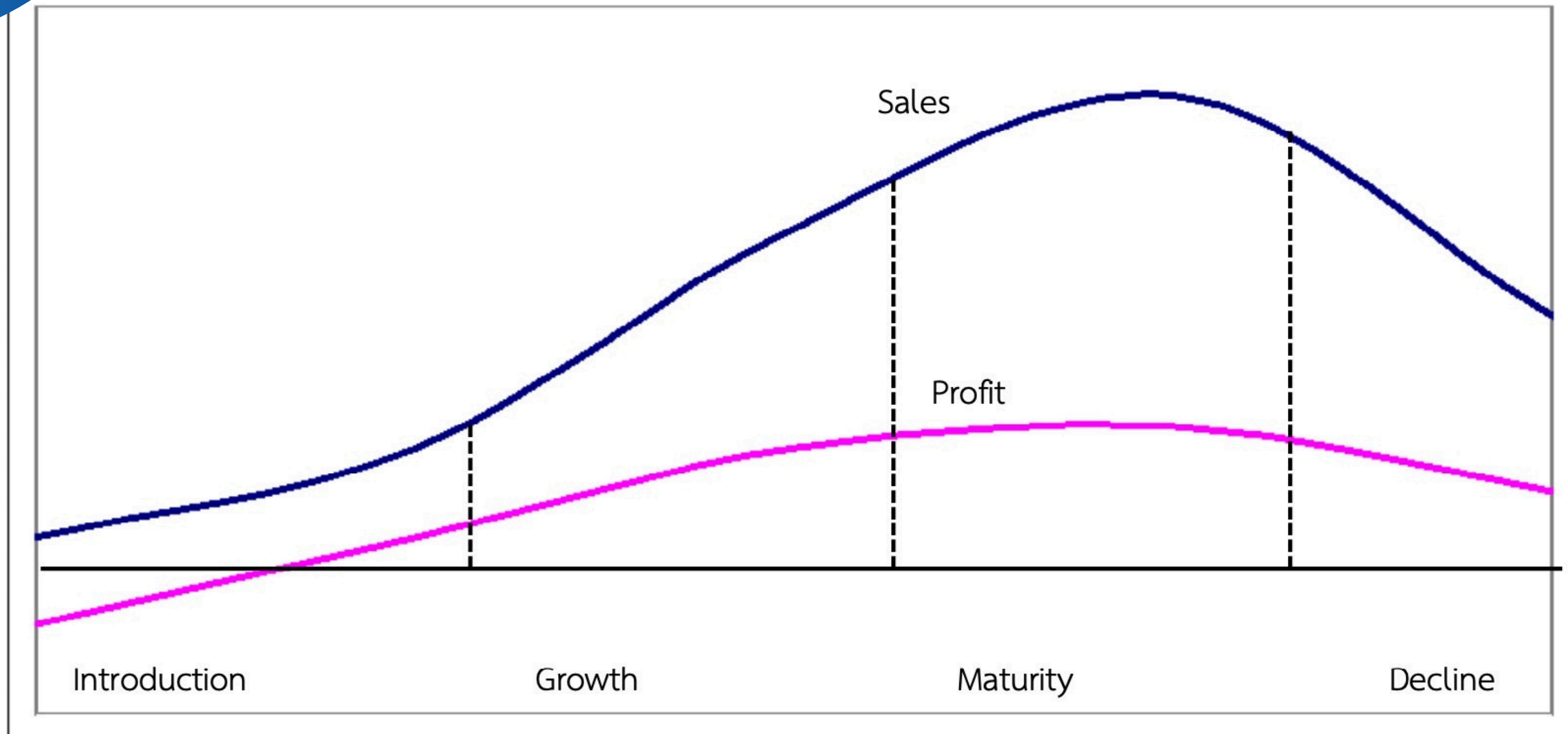
Product Life Cycle & Corporate Life Cycle

This model assesses business strategies based on the stages of product and corporate growth

Product Life Cycle (PLC)



Sales and Profit Life Cycles



1. Introduction Stage

High investment, market development and awareness-building.

2. Growth Stage

Expanding sales and profits, increasing market presence.

3. Maturity Stage

Market saturation, increased competition, and diversification.

4. Decline Stage

Revenue decline, potential market exit, or reinvestment for industry recovery.





Selecting Strategies

Different strategic models help businesses determine the most suitable approach

- Corporate-Level Strategy: Uses TOWS, BCG, and PLC models.
- Business Unit-Level Strategy: Uses TOWS and PLC models.
- Operational-Level Strategy: Aligns with business unit strategies.



This strategic framework provides businesses with tools to analyze their market position, identify growth opportunities, and develop effective competitive strategies.



Thank You