

Service Marketing: A practical approach
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Lecture-10
Exploring Marketing Opportunities-I

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In this lesson, lesson number 10, we are going to discuss exploring marketing opportunities part 1. So in this we are going to discuss the SWOT analysis, the TOW matrix, then scouting for opportunity and opportunity identification. So coming to SWOT analysis.

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SWOT Analysis

The analysis of the macro-environment tells us about the opportunities and threats present in the environment for our company. Analysis of the micro-environment tells us about the strengths and weaknesses of our company.

While opportunities and threats are external to a company, strengths and weaknesses are internal to the company.

We can then collate this information into a matrix of strengths, weaknesses, opportunities and threats, called the SWOT matrix. An example of SWOT matrix for Airtel, a telecom service provider in India is discussed next.

By now you must have understood that SWOT stands for strength, weakness, opportunities, and threats. That the analysis of the macro-environment tells us something about the

opportunities and threats while the analysis of the micro-environment of the company tells us something about this strengths and weaknesses of the company. So while opportunities and threats are external to a company, strengths and weaknesses are internal to the company.

So we can then collate this information into a matrix of strengths, weaknesses, opportunities and threats, which is known as the SWOT matrix. So an example of SWOT matrix for the telecom service provider Airtel is in India is discussed next.

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SWOT Analysis	
SWOT Matrix of Airtel Telecom company	
Strengths S1. It has the largest customer base of 95 million (in 2009-10) in India. S2. It has the infrastructure to provide telecom and broadband services. S3. It has strategic alliance with handset manufacturers like Sony-Ericson, Nokia and S-Tel. S4. It is operating in all the 23 telecom circles in India. S5. It has good corporate structure and is a visionary leader. S6. It has the advantages of being an early entrant in the telecom service provider	Weaknesses W1. It had less expertise in its early days of operation, so it had to outsource many of its operations. W2. The company shares the telecom towers with many other companies and remains dependent on them. W3. Some human resource issues are hurting its international image.
Opportunities O1. It has a lot of opportunity as the telecom penetration is still much low (100%)	Threats T1. There are threats from some of its competitors like Vodafone.

Please mind that this information has not been done with the recently and therefore it might be you know more particular year 2011 or 12 when this SWOT analysis was conducted. So this SWOT matrix consists of strength, weakness, opportunity and threats. So you can see there are 6 strengths which have been identified and 3 weaknesses, so these strengths and weaknesses are particular to the companies' environment that is internal environment.

And the opportunity and threats are for the company's external environments. They come from the companies' external environments. Let us see what are the threats. So the Airtel it has largest customer base of 95 million in India in 2009-10. It has the infrastructure to provide telecom and broadband services. It has strategic alliance with handset manufactures like Sony-Ericson, Nokia, and S-Tel.

It is operating in all the 23 telecom circles in India. Now opportunity operating little more, but as I said that this data is belongs to 2011-12 or 2009-10, 11-12 some like that. It has good corporate structure and is a visionary leader. It has the advantages of being an early entrant in

the telecom service provider industry. So it is an early entrant. Now are its weaknesses, it has less expertise in their early days of operation, so it had to outsource many of its operations.

The company shares the telecom towers with many other companies and remains dependent on them. Some human resource issues are also hurting its international image. Now the opportunities for the company are lot of opportunity in the mid mobile telecom penetrator which is much less than 100%. So as people get itched on this telecom or mobile handsets there are opportunities are now less than 100% but the opportunities can go in when more than 100% with multiple mobile sets being with a single person.

The threats are that some of its competitors like Vodafone, BSNL, etc. they provide some kind of threat to this company. So we have seen the strengths, weaknesses, opportunities and threats.

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TOWS Analysis TOWS Matrix for Airtel Telecom company		
	Opportunities	Threats
Strength	<p>S1-O1 The company can grow using intensive and integrative growth strategies.</p> <p>S2-O1 The company can use existing infrastructure or set up new infrastructure for growth.</p> <p>S3-O1 The company can go for strategic alliances with smaller service providers also in order to grow in the marketplace (integrative growth). It can also form alliances with foreign service providers to establish a presence in foreign lands like Africa.</p> <p>S4-O1 It can increase its market share all over the country by offering high quality services at affordable prices, thereby increasing market share through intensive growth.</p> <p>S5-O1 The company can take advantage of its corporate structure to recruit more people for ensuring adequate growth in the market place.</p> <p>S6-O1 It can take advantage of its experience and learning and provide services at rates affordable to most citizens of India.</p>	<p>T1-T1 It can provide better services than the competition by providing enhanced service quality.</p> <p>T2-T1 Same as S1-T1</p> <p>T3-T1 It can learn from its strategic alliances and provide better services than its competitor.</p> <p>T4-T1 Same as S1-T1</p> <p>T5-T1 Same as S1-T1</p> <p>T6-T1 Same as S1-T1</p>
Weakness	<p>W1-O1 It must monitor its partners for quality and value gain. The company must set up its own operations if the partners under-perform.</p> <p>W2-O1 The company must proactively manage its infrastructure alliances as win-win relationships to be able to provide acceptable services at affordable prices.</p> <p>W3-O1 It must re-look at its human resource policies and provide an organisation climate that can lead to high employee satisfaction and citizenship behaviour.</p>	<p>W1-T1 The company has to cement strong relationships with its partners so that they can together perform better than the competition.</p> <p>W2-T1 Same as W1-T1</p> <p>W3-T1 Human resources issues can make employees of the company switch to competitors. Hence, the company should have good human resource policies so that they can retain their employees and keep them well trained for higher productivity which can keep them satisfied with their jobs and career.</p>

Now we looks at the TOWS Matrix for Airtel Telecom company. Now the importance of TOWS Matrix is that with the opportunities and threats that we have discussed and the weaknesses and strengths. What happens is that we will get to make a TOW Matrix. So how that is done, so you see the strengths are not seen here, the strengths are in the earlier slide. We have discussed this strength, weaknesses, opportunities and threats.

And here we discuss the TOWS that mean what is the consequence of this strength, opportunities, strengths threats, weaknesses, and opportunities and the weaknesses and threats of the company called Airtel. Now you see that S1-O1 that means the first strength

and the first opportunity. So the first strength has the largest customer base and the opportunity was that there is lot of opportunity in mobile telecom penetration.

So this strength and opportunity S1-O1, this strategy that can be used for by combining S1 and O1 is that the company can grow using intensive and integrative growth strategies. While intensive growth strategy means that they can grow within themselves, they can grow inward but integrative growth strategy is about you now joining hands with other companies in order to grow. So that this integrative growth strategies.

The company can use existing infrastructures or set up new infrastructure for growth. Because there is the chance of growth in the company care and use existing infrastructure or new infrastructure to go for growth. Then S3-O1 the company can go for strategic alliances with smaller service providers, also in order to grow in the market place. So this is integrative growth.

It can also form alliance with foreign services provider to establish a presents in foreign lands like Africa. Then S4-O1, it can increase its market share all over the country by offering high quality services that affordable prices, thereby increasing market share through intensive growth. So now S5-O1. S5 is it is good corporate structure and is visionary leader. So there the company can take advantage of its corporate structure to recruit more people for ensuring adequate growth in the market place in future.

And S6-O1 it can take advantage of its experience and learning and provides services at rates affordable to more citizens of India. Then coming to strength and threats. So strength and opportunity is fairly east because you use the strengths of the company to take advantage and the opportunities that the environment provides for the company. In the case of strengths and threats what happens is the S1-T1 it can provide better services than the company share, that providing enhances service quality.

S2-T1 is same as S1-T1. S3-T1, it can learn from its strategic alliances and provide services than its computer. Then is competitor. S4-T1, S5-T1 and S6-T1 are similar to S1-T1 that is it can provide better services than the competition by providing enhance service quality. Then we come to weaknesses and opportunities. Now we have to take the help of opportunities to hates the weaknesses of the company.

So W1-O1. Let us see what is W1?. It had less expertise in its early days of operation. So it had to outsource many of its operations. And the T1 that is threat is there are threats from some of its competitors like Vodafone and BSNL. So the weaknesses 1 and and opportunities 1 is it must monitors its partners for quality and value gain. The company must set up its own operations if the partners under perform.

W2-O1. The company must proactively manage its infrastructure alliances as win-win relationships to be able to provide acceptable services at affordable prices. Similarly there is W3-O1, it must relook at the human resource policies and provide an organisation climate that can lead to high employee satisfaction and employees citizenship behaviour or organisation citizenship behaviour.

W1-T1. The company has to cement strong relationship with its partners so that they can together perform better than the competition. W3-T1. Human resources issues can make employees of the company switch to competitors. So this is weakest quadrant of Airtel. And Airtel has to do something so that due to their weaknesses they do not fall to the threat. So one way is to cement relationship with partners, who are performing better than competition.

Another is that human resource should be good and they can retain their employees and keep them well trained for higher productivity which can keep them satisfied with their jobs and carrier. So this is the Tow matrix and in TOW matrix there are several strategies and these strategies now can be plotted on importance and is of implementation kind of quadrant. And then it can be found at which strategies are east to implement and have great significant and which strategies are difficult to implement and therefore which can be title later on.

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Formulating Marketing Strategy for Sagar Ratna – A Restaurant Chain	
Strengths:	
a.	The restaurant is very popular with its North and South Indian dishes.
b.	It has good presence in Tier 1 and Tier 2 cities.
c.	Customers perceive Sagar Ratna to be having high brand value.
d.	The food and ambience provided by Sagar Ratna is of superior quality.
Weaknesses:	
a.	There is no marketing or advertising effort from Sagar Ratna to lure new customers.
b.	The restaurants are only located in middle level markets and not present in shopping malls and high end markets.
Opportunities:	
a.	Middle class households are increasing in the population.
b.	Disposable income of Indians is increasing.
Threats:	
a.	There is threat from other restaurants
b.	Multinational brands like McDonalds, Pizza Hut, KFC, Yo China, etc. are flourishing.
The TOWS matrix:	
Strengths & Opportunities (SO):	
1.	Increase restaurants in Shopping Malls
2.	Advertise superior food and ambience quality to attract customers
Weaknesses & Opportunities (WO):	
1.	Same as SO
Strengths and Threats (ST):	
1.	Increase number of outlets and advertise heavily
Weaknesses and Threats (WT):	
1.	Same as ST

Then we come to another example that is formulation of marketing strategy for Sagar Ratna-a restaurant chain. So there we have the strengths. The restaurant is very popular with its North and South Indian dishes. It has good presence of Tier 1 and Tier 2 cities. Customers perceive Sagar Ratna to be having high brand value and the food and ambience provided by Sagar Ratna is of superior quality.

So weaknesses, there is no marketing and advertising effort from Sagar Ratna to lure new customers. The restaurants are only located in middle level markets and not present in shopping malls and high end markets. Opportunities the middle class households are increasing in the population and disposable income of Indians is increasing. Threats, there is threat from other restaurants, multinational brands like McDonalds, Pizza Hut, KFC, Yo China, etc are flourishing.

So we again have the SWOT distance weaknesses, opportunities and threats. From there we can make the TOW matrix of strategies okay which can be undertaken who provide Sagar Ratna with an advantage that means Sagar Ratna can take advantage of the opportunities and hates their weaknesses and threats and move ahead smoothly. So increase the restaurants in shopping malls since the restaurant is not are not present in the shopping malls.

Therefore this has to be done increase restaurants in shopping malls, advertise superior food and ambience quality to attract customers. Then there are weaknesses and opportunities, so which as like same as strength and opportunities, then we have got strength and threats. So

these strengths, these are the strengths and these are the threats, so increase the number of outlets and advertise heavily.

And the weakness and threats also a same as ST that is increase number of outlets and advertise heavily. So in a (()) (14:09) Sagar Ratna should increase the presence in shopping malls, advertise superior food and ambience quality to attract customers and they should increase the number of outlets and advertise heavily.

So this is what we have studies in NPTEL, we have discussed about strengths and weaknesses or opportunities and threats with makeup the short analysis and then we have done the TOW matrix which brings out the strategies that should be implemented to take care of the weaknesses and threats of the country and take of the company and take an advantage of the strengths and opportunities and grow substantially. Thank you very much for attending this session. I hope this helps.