



Marketing Management- Assessment 2

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Table of Contents

1.0 Introduction.....	3
1.1 Company background	3
1.2 Industry background	4
2.0 Internal Analysis	4
2.1 SWOT Analysis	4
2.2 VRIO Analysis	5
3.0 External environment analysis	6
3.1 PESTLE	6
3.2 Porter's five forces	7
4.0 Role that marketing plays within the organisation - 4Ps	9
5.0 Recommendations.....	9
6.0 Conclusion	10
Reference List	11

1.0 Introduction

Deepak and Jeyakumar (2019), described marketing management as the process of planning and executing promotional strategies that can allow them to attract more followers. This allows them in planning and executes marketing strategies that can allow them in attracting potential consumers. The following study will discuss Dyson's external and internal environment. It will determine how external and internal factors have affected the company's operations.

1.1 Company background

Dyson is a technology-based international company that James Dyson founded (Dyson, 2023). This company intends and manufactures vacuum cleaners, bladeless fans, and heaters. The company has thousands of customers worldwide and operates approximately in over a hundred countries. The company's vision is to provide innovative and improved products to make the lives of users easier. In addition, the mission of the company is to learn continuously while working and to develop pioneer technologies. The values of the company are to reflect the heritage that is aligned with the broader group of the company. The vacuum cleaners of the company are famous worldwide, which has given the company the advantage to increase revenue in a global aspect. In the year 2021, the revenue of vacuum cleaners from the company was 60.6 billion dollars, which is likely to grow in the upcoming financial years (Statista, 2023).

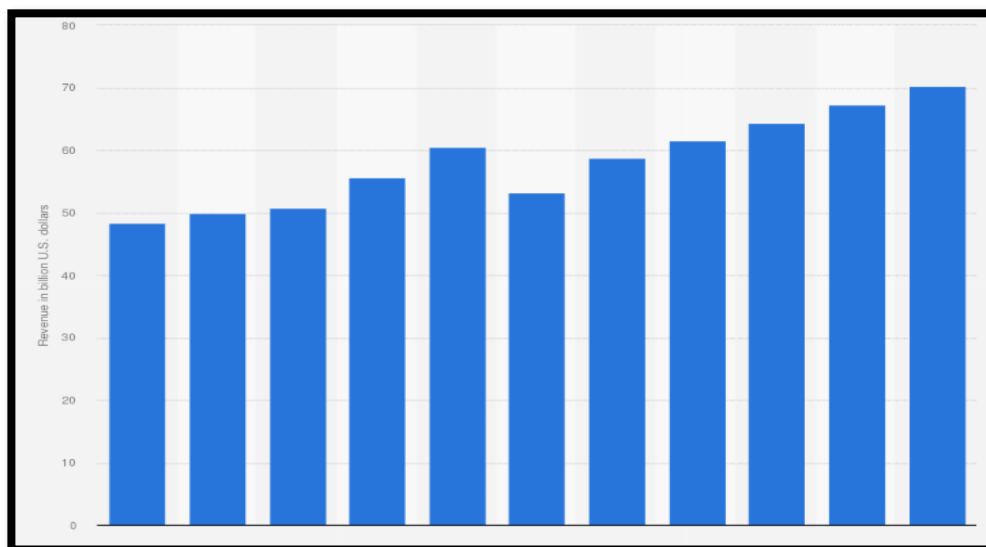


Figure 1: Revenue of vacuum cleaners worldwide of Dyson

(Source: Statista, 2023)

1.2 Industry background

Dyson belongs to the household equipment industry. The industry has more than a hundred billion USD as of the year 2022 (Statista, 2023). This industry was found to face an annual expenditure on household appliances of 13.9 billion GBP (Statista, 2023). The UK is considered to be one of the major markets for the industry.

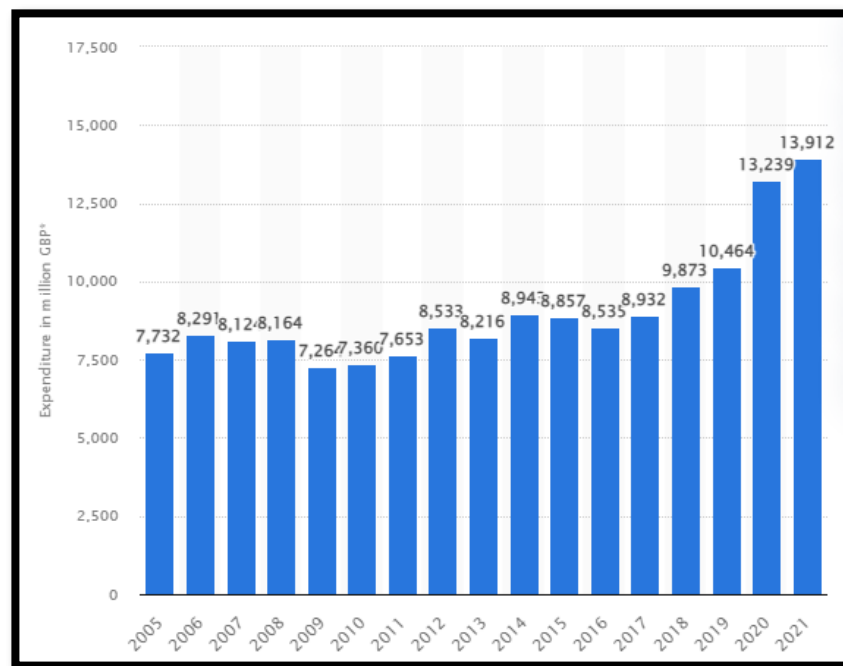


Figure 1: Annual expense on household appliances by consumers in the United Kingdom

(Source: Statista, 2023)

2.0 Internal Analysis

2.1 SWOT Analysis

As per Benzaghta *et al.* (2021), SWOT analysis is a framework that allows an organisation to identify its strengths and weaknesses that it can exploit. The framework also helps in determining the potential threats and opportunities that can impact their business operations.

Strengths

Dyson LTD. is a UK-based organisation that was reported to have a revenue of 5.7 billion GBP as of the year 2021 (Statista, 2023). This shows that the company has a high demand in the market. Dyson was found to have been holding 20% of the market share and 50% of the vacuum cleaner market (GlobeNewswire, 2022). The company is able to employ up to 14000 people globally (Reuters, 2020). This allows them to serve a larger target market.

Weaknesses

The company has faced certain sustainability issues in recent years. The company has been found to have lost their EU energy label claims (BBC, 2015). It has indulged in providing misleading test reports of its devices.

Opportunities

The company has opportunities like diversifying its devices in order to stand out in the market. It can also indulge in global expansion that can help in targeting more consumers.

Threats

Changes in the consumer's preferences can impact company operations. It can also face issues from companies that offer similar products at lower prices.

2.2 VRIO Analysis

Capabilities	Value	Rare	Imitable	Organised	Impact of competitive advantage
Technological development	Yes	Yes	No	Yes	Realised sustainable competitive advantage
Brand recognition	Yes	Yes	Yes	Yes	Temporary competitive advantage in the market
High-quality products	Yes	Yes	Yes	Yes	Realised temporary competitive advantage

Table 1: VRIO Analysis

Technological development

Value: The technological development by the company is an asset for them in maintaining quality in their products.

Rare: This is rare as the company has developed technology all by itself.

Imitable: This is inimitable for others in the industry.

Organised: This feature is highly exploited by the company for its market.

Impact of competitive advantage: Realised sustainable competitive advantage

Brand recognition

Value: The feature is highly valuable for the company as it would help them in gaining the trust of potential buyers.

Rare: This is rare as it is hard to gain in a short amount of time._

Imitable: This is easily imitable by other companies in the market. _

Organised: The company exploits this feature effectively.

Impact of competitive advantage: Realised temporary competitive advantage

High-quality products

Value: This is valuable as it helps in spreading positive word of mouth in the industry.

Rare: It is rare to find in the market.

Imitable: It is easily inimitable by the competitors of the company. _

Organised: It is easily exploited by the company

Impact of competitive advantage: Realised temporary competitive advantage

3.0 External environment analysis

3.1 PESTLE

PESTEL analysis is a framework that helps in determining the impact of the macro factors on the business operations (Pan *et al.*, 2019).

Political

The political stability index of the UK is 0.54 as of the year 2021 (The Global Economy, 2023). This indicates a stable condition in the country. This allows Dyson in operating effectively and generating revenue. Besides them, the company will not be subjected to constant changes in legal structures.

Economic

As of the year 2021, the country had a GDP growth rate of 7.5% (The World Bank, 2023). This shows stable GDP growth in the country. This will allow the company to grow smoothly

in the industry and be able to generate profits. It will help them in selling their products at reasonable prices which can help them in being more successful in the market.

Social

The UK has a high per capita income of 46510.3 USD as of the year 2021 (The World Bank, 2023). This shows that the company will be able to sell its products at reasonable prices. It will allow them to generate high revenue as people will have high disposable income to spend on their products.

Technical

The UK has a high internet penetration where 62.86 million users operate on the internet (Statista, 2023). This can be helpful for Dyson in promoting its products and services through the internet. It will help them in reaching a larger population effectively through the use of social media platforms.

Environmental

The UK has an Environmental Protection Act that covers several issues of environmental sustainability including pollution, carbon emission and more (Huber, 2020). The company has to follow the legal standards that are set by the act in order to maintain eco-friendly practices. It can also help them in building a brand name in the market. The act can also help them in implementing effective CSR policies and monitoring their production process in order to reduce carbon emissions in the atmosphere.

Legal

There is a number of employment regulations in the UK that covers a large number of employment issues. These regulations tend to protect employees from discrimination and unfair treatment. It also ensures employers are operating ethically with their employees. These regulations must be followed by Dyson in order to maintain a positive environment in the workplace. It will also contribute to decreasing employee turnover in the workplace. The company might be able to operate more ethically in the market.

3.2 Porter's five forces

Porter's five forces are one of the important frameworks that help a company identify where the actual power lies in any business situation (Bruijl and Gerard, 2018). It will be helpful for Dyson to analyse competitive factors, which are as follows:

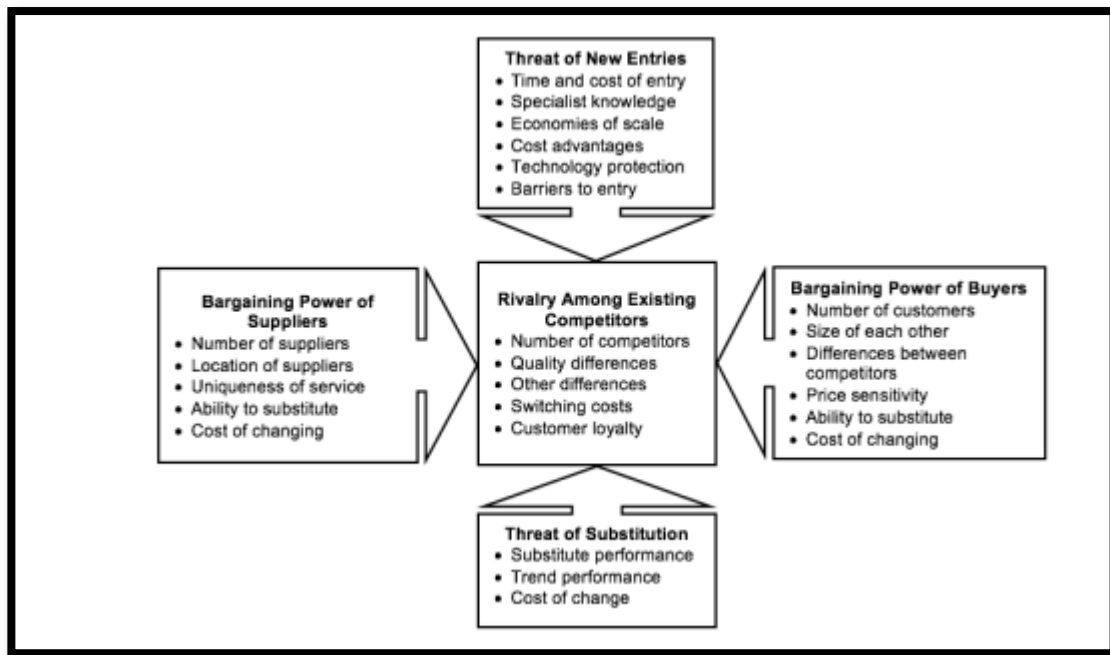


Figure 2: Porter's five forces

(Source: Bruijl and Gerard, 2018)

“Industry rivalry”: The industry rivalry for the company is **high** because there are other storing competitors operating in the global market. Hoover, iRobot, Shark Ninja and Electrolux are the major competitors of the company but the positive factor is the market size of the industry (Adamkasi, 2020). This helps companies to get competitive advantages over the high competition.

“The threat of new entrants”: The threat of new entrants is **low** because the number of hurdles for new entrants decides the level of threat. In the technology industry, the hurdles are huge because it is not easy to start-up a technology company all of a sudden because it takes lots of effort and many years of experience to get a position in the market.

“The threat of substitutes”: The threat of substitutes is **high** because, in the technology industry, the biggest threat is the threat of substitute products. As opined by Adamkasi (2020), technological advancement has created many opportunities for technology companies to offer advanced products to customers. This has created a threat of substitutes for almost every technology company.

“Bargaining power of the suppliers”: The bargaining power of the suppliers is **low** because of the dependencies of the suppliers on the companies (Adamkasi, 2020). The companies in the market operate with a strong global presence, therefore, suppliers invest their quality in those companies and their strength to bargain to get a high pay decreases.

“Bargaining power of the buyers”: The bargaining power of the purchasers is *average* because buyers have many alternative options but the company provides quality products with a proper price range, which is not much expensive.

4.0 Role that marketing plays within the organisation - 4Ps

The role of marketing within an organisation is huge, which can be defined using the 4Ps marketing mix framework. It helps to define the marketing options in the terms of four factors, which are as follows:

Product: The Dyson airwrap is a styler, which can create multiple different hairstyles with its different wand attachments. Along with that, bagless vacuum cleaners are a popular product of the company. The vacuum cleaners do not lose suction, which makes them easier to use (IAPI, 2023).

Price: The price of a Dyson styler is approximately 499.99 pounds and the price of a cordless vacuum clear is about 479.99 pounds. This is premium pricing but customer review and customer loyalty for the company is high. This indicates the demand is high for the company’s products.

Place: The products of the company can be easily found in the UK from different distributors such as Argos, Currys, John Lewis and others.

Promotion: Dyson mainly uses social media platforms to promote its products to attract more potential customers. Word of mouth is another significant advertisement strategy, which Dyson follows. Thus, it can be said that the company will be able to get competitive advantages by identifying the influences of marketing within their business activities.

5.0 Recommendations

Based on the SWOT analysis, it has been understood that some recommendations can be made for the future growth of the company, which are as follows:

- The company may focus on using less energy and may use fewer resources in their production and manufacturing processes to reduce the negative impact on the environment throughout the lifecycle. This would help the company to reduce the negative impact on the local community as well. As stated by Williams *et al.* (2017), the core to get sustainability of a product is its durability. Therefore, the company

should try to make a long-lasting product, which can be easily recycled for sustainability purposes.

- Dyson should focus more on innovation and should increase technology spending in order to meet consumer preferences. In the changing world, the preferences of customers are changing as well. Therefore, to keep up the balance between demand and supply, the company has to increase its technological capabilities. This would help the company to understand consumer behaviour and will assist the company further to attract new potential customers to increase its revenue. The company can try to make quality products at a low production cost to get a competitive advantage as well.

6.0 Conclusion

From the above discussion, it can be said that the marketing management process is very important for any business organisation. For example, Dyson has been able to analyse its internal and external factors, which will help the company further to identify the scope to get competitive advantages. The recommendation would help the company further to grow in the future and to sustain itself in the technology market with a better brand image. Thus, it can be inferred that all the factors would help the company to strengthen its marketing strategies to create better opportunities.

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