

# Market penetration

[Finance](#), [Market](#)



Awareness and promotion are interlinked as when Willmott carry out promotions they want customers to become aware of their business. This is so that the customers are aware of the business and also the work that they carry out. Availability - Place The company information needs to be available as access to the place of business is important. This is so that they customers can get in touch with the Willmott Dixons different business streams.

Affordability - Price Affordability is important for majority of the clients, it is important for Willmott Dixon to provide an affordable service to their clients. Acceptability - Product It is important that Willmott Dixon provides products that are needed. It is essential to consider the acceptance of the client. Appendix 5 Porters 5 Forces of Competitiveness - Willmott Dixon Group Five Forces Analysis helps the marketer to contrast a competitive environment. It has similarities with other tools for environmental audit, such as PEST analysis, but tends to focus on the single, stand alone, business or SBU (Strategic Business Unit) rather than a single product or range of products.

Threat of Entry Taking into account the state of the UK economy at present, the threat of new entrants appears to be low. In this economic downturn it seems that more of Willmotts Dixon competition is actually going out of business. To enter the market in the current climate could be seen as a risk, as banks are extremely reluctant to invest or lend at this point of time. The construction industry is generally regarded as being one of the worst when it comes to surviving a recession, as the amount of work decreases rapidly. Willmott Dixon are currently are a key player in the industry however need

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to concentrate on companies such as Balfour, Carillion, Kier etc and not worry too much about threat of entry.

**Power of Suppliers** The cost of supplies has a significant impact on Willmott Dixon profit. In recent years the construction industry has been in some what of a boom, leading to competition amongst suppliers being fierce. However the recent economic downturn has lead to a change in this, while the economic downturn has affected Willmott Dixon in many ways, the bargaining power of its suppliers has not, for example because Willmott Dixon work with the same group of suppliers constantly they tend to get fair and competitive prices.

**Power of Buyers** Due to the global recession the power of the buyer is currently high. This is mainly because of the fierce competition for the decreasing amount of construction work available. This all leads to Willmott Dixon taking a more realistic approach regarding its performance while the recession continues. **Threat of Substitutes** Clients may decide to refurbish existing offices rather than build new facilities which will mean the loss of potential work for Willmott Dixon capital works.

**Competitive Rivalry** Willmott Dixon main competitions are Kier, BAM Nuttall and Carillion. But the most immediate threat is from BAM Nuttall as they have a better profit margin. **Ansoff Matrix - Willmott Dixon Group** The Ansoff matrix was used to help decide Willmott Dixons product and market strategy. From looking at the options the company has for its future is best for the company to adapt the Market penetration strategy. The reason for

this that the company know there market and products well so why not become the best at what they do.

Market Penetration Market Development  $\frac{1}{2}$  Maintain or increase the market share of current products - this can be achieved by a combination of competitive pricing strategies, advertising, sales promotion and perhaps more resources dedicated to personal selling Secure dominance of growth markets Restructure a mature market by driving out competitors; this would require a much more aggressive promotional campaign, supported by a pricing strategy designed to make the market unattractive for competitors

Increase usage by existing customers - for example by introducing loyalty schemes A market penetration marketing strategy is very much about "business as usual". The business is focusing on markets and products it knows well. It is likely to have good information on competitors and on customer needs. It is unlikely, therefore, that this strategy will require much investment in new market research.