

Swot, pestel and porter analysis of diggers inc.

[Finance](#), [Financial Analysis](#)



Introduction

Market Orientation:

Market orientation is the implementation of the marketing concept. Being oriented marketing is more than just being directed to the customer. It requires the full support of the organization, is fully implemented in the long term and, in fact, you may need a complete change in the culture of an organization.

The historical development of market orientation:

A parallel can be drawn between the development of an organization and a national economy. Market orientation develops through stages, especially, production, sales and market orientation may be related to supply and demand relations and conditions of competition.

Market orientation in the USA and Europe:

The development of market orientation was different between the U. S. and Europe, the first, in late 1950, was beginning to recognize the need to put the customer first. In Europe, for its part, the marketing development later due to IInd world war, delay in market integration, heavy regulation, public sector involvement, a strong national identity, the projectionist trends, differences in language, traditions and business practices and a dilatory approach to marketing education.

Organizational and managerial characteristics of market-orientated companies:

The dilemma of meeting the needs of clients and organizations need to be explored. Research has identified two types of organizations and market

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orientation: type A and type B-. We must also recognize that the management of a company play a key role in guiding the market and there is indeed a strong relationship between marketing orientation and organizational learning.

Implanting market orientation in organizations:

The role of management in market orientation can be explored. Market orientation requires a strategic commitment to the organization. It may also require several changes that need to be managed. The guidelines and action plan for the implementation of market orientation can be explored.

The growth of their business is based upon a strategy of pure diversification into related business areas, and a true belief throughout the Diggers Inc organisation ' top-down' of being customer orientated. The marketing activities are carried out under a well-thought-out philosophy of efficient, effective, and socially responsible marketing of DIGGERS. In fact, there are five competing concepts under which organizations conduct marketing activities: production concept, product concept, selling concept, marketing concept, and societal marketing concept.

As the product concept, this has led to more than 300 individual products are now available to meet real customer needs. The marketing concept excavators enlists the help of 680 dealers around the world (26, 800 troops), which have a long and established history of working closely with them for many years. Most of them are locally owned businesses and independent. This is often to provide not only considerable " added value", but also a "

competitive advantage”, as the distributors work closely with people who know and trust, in areas they know well.

Dealers offer a service and spare parts, and financing, while a network of more than 1200 outlets worldwide offering a rental service excavators Inc. To support all this, the infrastructure has 23 distribution centers located in 11 countries, fully supported by the Diggers Inc Team Training Division.

SWOT Analysis

A tool used by organizations to help the company establish its Strengths, Weaknesses, Opportunities and Threats (SWOT). (Kotler, 1988: 80.). A SWOT analysis is used as a framework to help the company develop its overall corporate marketing or product strategies. Strengths and weaknesses are internal factors that are controllable by the organization. Opportunities and threats are external factors that are uncontrollable by the organization. Caterpillar “ CAT” is considered as the big competitor of Diggers due its product line and company size.

In terms of Diggers Inc, its SWOT analysis is as under:

Strengths of Diggers Inc:

It offers more than 300 products for the real need of its customers.

It has 680 dealers worldwide to sell their products.

It has 75000 personnel workforce, worldwide.

The dealers work closely with people they know well and trust, in areas/regions they know well.

To support all this, the infrastructure has 23 distribution centres located in 11 different countries.

Weaknesses of Diggers Inc:

As the company's base business is machinery so it will be very difficult to go in new product line.

Diggers Inc has a reputation for new product development and creativity.

However, they remain vulnerable to the possibility that their innovation may falter over time.

The organization has a strong presence in the UK and United States of America with more than three quarters of their outlets located in the home market. It is often argued that they need to look for a portfolio of countries, in order to spread business risk.

The organization is dependent on a main competitive advantage, the retail of machineries and engines. This could make them slow to diversify into other sectors should the need arise.

Opportunities for Diggers Inc:

' DIGS' name becoming a worldwide clothing and footwear brand.

Diggers Inc can expand its business to 3rd world countries.

Diggers Inc has differentiated again with the ' DIGS' name becoming a worldwide clothing and footwear brand.

Threats of Diggers Inc:

New entrants threats is always present for the Diggers Inc

CAT can be a big threat for the Diggers Inc.

Government policy e. g. taxation, laws can be big threats.

SWOT analysis of CAT

Strengths of CAT:

It offers more than 300 products for the real need of its customers.

It is spread in 23 countries worldwide to sell their products.

It has 28310 personnel workforce.

To support all this, the infrastructure has 60 distribution centres located in 23 different countries.

Weaknesses of CAT:

As the company's core business is related to machinery and engine manufacturers, so it will be very difficult to go in new product line.

Diggers Inc has a reputation for new product development and creativity in engineering sector. However, it may be possible that their innovation may not work in new SBUs.

The organization is dependent on a main competitive advantage, the retail of machineries and engines. This could make them slow to diversify into other sectors should the need arise.

Opportunities for CAT:

CAT name becoming a worldwide footwear and Clothing (trousers and caps) brand.

CAT has strong grip in 3rd world countries including India and China.

CAT is known for its name and logo can be in cash for marketing activities, where appropriate, in terms of new product line.

Threats of Diggers Inc:

New entrants threats from BRIC block is always present for CAT, specially from China.

CAT can be a big threat for the Diggers Inc.

Government policy e. g. taxation, laws can be big threats.

PESTLE Analysis of Diggers Inc:

PEST LE of PEST analysis, as an analysis framework of macro-environmental factors, is also referred as STEP (Clulow, 2005), SEPT (Narayana and Fahey, 1994: 199-202) or STEEP (Voros, 2001). According to Ward and Rivani (2005), PEST analysis assumes that specific external and indirect circumstances that characterized the business environment are able to influence organizational capacity to produce value. It is important to identify factors that in turn can affect a number of vital variables that can influence the organization's supply and demand levels and costs. The " radical and permanent changes occurring in society create an environment of uncertainty and have an impact on the function of the entire organization." A series of checklists have been developed as a way of cataloging the large number of potential problems that may affect an industry. A PEST analysis is one of them is not a framework that categorizes environmental influences as political, economic, social and technological. Sometimes two additional factors, environmental and legal, will be added to make PESTEL analysis, but these issues can be subsumed under others. The analysis examines the impact of each of these factors (and their interaction with others) in the business. The results can be used to exploit opportunities and making contingency plans for threats in the preparation of business and strategic plans claims that PEST analysis is a strategic tool for understanding market growth or decline, business position the potential and direction of operations.

Political Environment

Political Environment is the laws, official regulations, rules and guidelines some of which are designed to protect people, consumers and communities. Some are designed to make contracts enforceable and to protect property rights. Many are designed to regulate the behavior of the managers and their subordinates. There is relatively little that a manager can do in any organization that is not in some way concerned with, and often specifically controlled by, the existence, introduction or change in laws or regulations. In terms of Diggers Inc, the political environment is suitable and stable in Europe and USA. However, in UK where the recent increased in Tax and new legislation from the Conservatives, central bank's interest rates can also affect the buying power of customers.

Economic Environment:

After the latest episode of recession, the economy is recovering slowly, which also can affect the buying power of the customers due to less launching of new development projects in UK. (Guardian, 2010). The Inflation rate has increased to 3.4% which is also a negative sign for the UK's economy.

Source: " [http://www. statistics. gov. uk/cci/nugget. asp? id= 19](http://www.statistics.gov.uk/cci/nugget.asp?id=19)"

Social Environment:

The living standard of dropped and people are less spending due to cuts in jobs and inflation. Most of the UK people will be found on low price shops. Although the Diggers Inc has a good reputation in the market, yet it'll face a huge competition from its revivals especially in clothing and shoes.

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Technological Environment:

Technology is always changing rapidly, so that organizations must adapt quickly in terms of product and process, then convert resources and advances in the opportunities and competitive advantage. As the Diggers Inc, has capacity to make any changes to your core business or new business units for its competitive advantage to others.

From the above analysis, we conclude that although the Diggers Inc has much competition in its counterpart and revivals, however, is able to embrace change and increase business by building new strategic business units in the industry. To cope with the global recession, which has infected the spending of individuals, the Diggers needs to invest more in R & D for diversified business areas, and should use outsourcing to maximize sales by offering cheaper products to its customers.

Marketing Mix:

According to Stanton, (2000) marketing mix is a combination of four elements (4Ps) Product, Pricing structure, Physical distribution system, and Promotional activities used to satisfy the needs of an organization's target market (s) and, at the same time, achieve its marketing objectives. Every business enterprises have to determine its marketing-mix for the satisfaction of needs of the customers. Marketing-mix represents a blending of decisions in four areas-product, pricing, promotion and physical distribution. These elements are inter-related because decision in one area usually affects actions in the others.

The basic purpose to determining the marketing-mix is to satisfy the needs and wants of the customers in the most effective manner. As the needs of customers and the environmental factors change, the marketing-mix is also changed. Thus, marketing-mix is a dynamic concept. It concentrates on how to satisfy the needs of the customers.

Marketing-mix is a combination of several-mixes. Marketing-mix encompasses product-mix (brand, quality, weight, etc.); Price-mix (unit price, discount, credit, etc.); promotion- mix(advertising, salesmanship and sales promotion); and place-mix (distribution channels, transport, storage etc) .

Nature of Marketing-Mix

Marketing-mix is the marketing manager's instrument for the attainment of marketing goals. It is composed of four ingredients: (i) product, (ii) pricing (iii) promotional activities, and (iv) physical distribution. These elements constitute the core of the marketing system of a firm. A marketing manager implements his marketing strategies and policies through these instruments.

As the diggers Inc, has developed a new range of “ scale models” toys because the product is good and if not, there are many competitors in the market with different prices. “ Diggers” is to lower the price of its new line of products in the toy industry. To promote the new product, it is necessary to launch the 3D characters in the same models launched. To do this, you must also movies like “ Transformers the Movie” or “ Legend of the Planet” to promote their product. It is also necessary to expand its channels to sell this new product. For this you need to make their presence every street.

Branding is something used to show customers that one product is different than the products of another manufacturer. For branding its products, Diggers Inc is using “ I Love DIGS machines” it is a novel concept to use this logo on the caps, T-Shirts, as the company used to deal in Machinery and engines prior, and has segmented itself to a particular group, it’s this marketing strategy will sketch a clear picture of the brand in the customers’ brain.

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