

# Marketing audit (swot and pest analysis) essay example

[Business](#), [Company](#)



## **Introduction**

Sonatrach is an Algerian national energy company. It was established back in 1963 with its natural gas and oil exploration. It is the principal oil exploration company in Africa and is position eleven in the world. This means that this company has both domestic and international competitors. In Algeria, however, sonatrach remains the dominant force in the market due to the protection of the government. Due to the recent variations in the economic strategies of Algeria, the country has become more welcoming to international companies and thus there is an increasing competition from companies such as BP, Linde, In Salah JV and Total. Globally, Sonatrach has to compete for the same markets with established companies such as Gazprom from Russia.

This paper entails the marketing audit of the company. Marketing audit comprises of the external and internal analysis of the firm in order to review the performance and status of the firm in market. External audit of the firm is mainly based on economic environment, competitive environment, and company's own market. Internal audit is an overview of firm's own strengths and weaknesses(Baker, 2000). The audit is carried out by implementing various types of marketing analytic tools to the market, for instance SWOT and PEST analyses.

## **PEST Analysis**

PEST (Political, Economic, Social, and Technological) analysis studies the external environment of a firm.

Political Analysis

It is important to study the actions of the government of the United States in terms of taxation and policies related to energy sector. The government policy related to energy production and resources is determined by center as well as local bodies in the United States. Various aspects of energy production and utility are addressed in the energy policy. Subsidies, taxes, and incentives are also discussed in the policy. The policy also addresses global warming aspect, energy conservation, and clean energy. The overall energy policy of the United States is not only conducive for domestic, but international oil and gas companies as well.

### **Economic Analysis**

Economic analysis mainly studies the economic growth of the country, and the opportunities that businesses can avail due to the economic strength of the country. Income levels of the United States are one of the highest income levels in the world as the household income being \$51, 939 in 2013, which is an indication of strong purchasing price. Employment is also an indicator of economic strength of a country, as the lower the unemployment rate, the stronger the economy of the country. The unemployment rate of the United States was 5. 80% by the end of November, 2014. The inflation rate is recorded 1. 66% as of October, 2014 which has improved over the period of last decade. The overall economic growth rate of the country's economy is 4. 6% by the end of last quarter. Overall, the economic environment is conducive for Sonatrach.

## **Social and Cultural Analysis**

Most families living in the US are nuclear families with few cases of extended families. They believe in confining older individuals in homes. Parents play an important role in nurturing and taking care of the families with the help of the US government. Moreover, most families here believe in marriage and courtship and you find even same sex marriages happening in the states. Due to their value for the family, the market for oil and gas is good since such families might need them for their daily activities in the kitchen. The US has no specified female or male roles. Very one is responsible for bringing food on the table despite the gender. Moreover, it is likely to find male individuals staying home to take care of the house and the kids as the females work.

## **Technological Analysis**

The technological development in the United States has fastened in the recent years. The desktop computer has been taken over by laptops, and the analog telephones are revolutionized into smartphones. Smartphones provide internet, calling facilities, social media applications, and every other media platform to the users. A vast majority of businesses have developed their official applications, thus, improving their access to the customers(Onkvisit& Shaw, 2004). The business application download statistics may also act as the indicator of the success of the firm. The technological development has also revolutionized the work processes in every business sector including the energy sector by automizing the work processes.

PEST analysis reveals that the United States can prove to be a successful

business ground for Sonatrach, where the political, economic, social, and technological environment would facilitate the business operations and contribute to the firm's revenue.

## **SWOT Analysis**

### **Strengths**

Sonatrach is one of the largest oil and gas companies in the world, currently being the eleventh one. Its stature is its biggest strength when entering into major oil markets such as the United States. The company's capacity to refine and produce oil gas is as large as 100 plants. In addition to this, Sonatrach has a huge network of transportation pipelines, thus allowing it to expand its current operations in the United States. The company is in a strong position to initiate its four major operations as it has the capacity to carry out the work processes related to these fields (Fine, 2009).

### **Weaknesses**

The company's weakness lies in its field of exploring, refining, and producing natural resources as it deals in oil and natural gas, whereas, the other international giant companies have already started their operations in exploring coal and other resources of energy such as nuclear energy and the clean energy.

### **Opportunities**

The company can avail the opportunity of entering into the international oil and gas market of the United States due to its large size and extended line of operations and transportation network. The other local competitors and

many companies of the other countries do not enjoy such benefits of expanding their operations at such a large scale.

## **Threats**

The company is faced by many other local and international competitors while making its presence in the economy of the United States. The oil and gas industry is huge as compared to that of Algeria, or even Europe and North America. The management needs to chalk out strategies and plans in order to compete with giant rivals.

## **Conclusion**

The marketing audit of the company reveals that the external environment proves to be in favor of Sonatrach. However, the company has to face complicated government policies regarding energy sector which is in best interest of the economy and society at large. The internal environment indicates the ability and capability of the company to start its operations in the United States. However, the company needs to formulate intelligent marketing strategies in order to compete with its competitors.

## **References**

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