

Swot analysis of philips

Business



**ASSIGN
BUSTER**

Strength Brand – As Philips entered the Indian market before 120 years, they exactly know the behaviour of the Indian consumers. So according to the consumers requirements the Philips company has positioned its brand in the market and in the consumers mind.

Now in Indian context, Philips means a brand that can be relied upon and the consumers in India believe on this brand. It has become a house hold brand. The main advantage is that the diversified product line of the company. It has almost all the products which are used by everyone in the house and also the products for general use. For ex.

Philips has lighting solutions, trimmers, electric toothbrush, led lamps, mixers, home theatres, iron box, mp3 player, DVD player etc., which includes all the possible products which is used by all members of the house. So indirectly this factor is affecting the minds of the people which is making the Philips to grow in the market. Quality – The brand name of the company stays fit in the consumers mind. And the main reason for that is the quality of the product which is produced by the company directly or indirectly with the brand name of Philips. Even though the company is a old player in the Indian market, with out the right quality it could not reach the position that it is there now.

The Indian customers are mainly price sensitive at the same time they also give importance to the quality and this is the main part which made Philips gain a huge market share. Service – The service is a extra credit given to the customers by the sellers in order to gain the good will and to get the consumer in to good terms with the company who will in future will become

a loyal customer of the company. Here the company always tries to make a point that, once a consumer uses the product of the company he should not even think of the other brand. If that is the quality and service provided to the consumer he will never leave and go the brand. So, here service plays a big role and that is the strength of Philips as they provide a good after sales service to the consumers. They have their own exclusive service centers and linked with many big names in the market in order to give the service.

Distribution channel – A strong distribution channel is like a solid nerve system of the human body. So if the company has a strong distribution channel the selling of the products becomes easy. Philips has 8 intermediaries in Bangalore and every 1 person for a district in Karnataka and this acts as a strong hand of the company. They depend on their distribution channel heavily and till date the results are positive from them. **WEAKNESS**
Limited stock availability in the company – The company has a very strong distributing channel which will help them in selling the Philips products in a good pace.

So when the situation is good for sale the availability of goods becomes a real problem and this poses a big question in front of the company. The Philips is also facing the same problem in recent years. As almost 70 – 80 % of the products are imported to India, the problem of stock availability is more. The importing norms will have different rules and regulations to the company that they can import only certain volume of particular products in a month or something like that. So the estimation will always not help in importing the goods.

Because the human psychology plays a huge role in this decision making. So it is very difficult and hence this problem is breaching the Philips India limited. Limited product line – Though the company has a strong product line, the marketing heads in the company are of a opinion that the product line of the company should be increased in order to give the customers what they really want. This is a right thought that the growing population in India wants some newness in the products and they like it to be unique from others. So increasing the product line may attract many more consumers towards the company in the recent years. As the product line is limited in a particular sector boredom of buying a same type of product has come into the consumers mind.

OPPORTUNITY The company is mainly concentrated upon the health care and lighting sector through which the company got a brand name which is very much in the minds of the consumers. So, now at this point of time if the company introduces as many as household appliances, into the market, it will gain a huge market share in terms of household electronic appliances. This step will be a wise move by the company. Another huge opportunity with the Philips company is that of making the pricing methods by acquisition. If the company acquires any local company and make them produce the products of Philips in their plant which will reduce the cost of the product drastically.

Philips has one many such things in the past time for ex – acquiring Preethi Company in the South India which helped them to reduce and stabilize their pricing method. **THREAT** The big threat and challenge of the Philips Company is that of the China made products which have a intense effect in the Indian

market. Because of these products the Philips Company is facing a huge problem in the Indian market. This problem is mainly concerned on the pricing methods of the company. The consumers expect that the price of the Philips company should also be reduced. But Company is not in a position to do so.