

# [Pest analysis of ems industry](https://assignbuster.com/pest-analysis-of-ems-industry/)

PEST analysis of EMS industry with respect to BMR Ltd

1. Political factors:

Restrictions on Direct response form of advertising in Germany are one of the political factors which influenced BMR’s marketing strategies in the earlier period. Since then the laws related to DRhave been relaxed. So there are no other specific political factors affecting company’s policy as on date

1. Economical factors:

a. Distribution trends

Bio-tech first adopted the system of sales through small distributors to gain an access to markets other than Ireland. The retail channel was minimally used since there were concerns related to its effectiveness for brands like Slendertone.

Methods like mail order and phone sales (based on infomercial were largely adopted. However after the falling trends in French markets and lack of consumer response in other markets the mode of distribution was modified. The company now follows retail distribution channel on a wide scale, direct response method for growing markets like United Kingdom and distributors for international markets like France, Spain, Germany and South America.

b. Specific industry factors

EMS industry is a type of industry where the products carry more of psychological value (intangible) rather than tangible ones. So there are no definite results or outcomes assured by the products in the EMS industry. Since BMR deals with brands which sell such products it is one of the key challenges for them to prove their claim and highlight the tangible value associated with their products

c. Customer Interest

Maintaining customer interest is an important factor on which EMR industry. Since the industry is a subcategory of fashion cum cosmetic industry it is always vital to maintain customer focus and develop products and promote them in a manner which keeps the customer interest in the brand. It does not end here it is also important to innovate new products so as to encourage repeat purchases

1. Social:

a. Lifestyle trends

The products offered by BMR brands are largely oriented to today’s life style. It is the key success factors which differentiates Slendertone and Neurotech from its competitors.

The target markets for its products are male and female users from age of 18 years – 20 years. Hence the positioning of this product under appearance market has added greater value to BMR’s brands that is Slendertone and neurotech

b. Demographics

Demographics play an important role in influencing the marketing policies and strategies of an organisation. In this case there were many demographic factors like the age, gender, the culture of the people in the target market were considered.

Example: BMR used the “ Strong Body culture” factor to push its sales in French, Italian, Spanish and South American markets

c. Consumer attitude and opinion

Consumer attitude towards EMS products especially favourable and this can be judged from the recent sales growth in Irish and English markets.

The consumer attitude can also be determined from the cultural beliefs in some cases

Example: lack of belief in EMS products especially in Germany was the prime reason for low sales volume of the Slendertone products

1. Technological:

a. Competing technology.

There may be indirect threat from products offering new solutions in the fitness and diet industry. However due to low competition in EMS market and expertise in EMS products there is no direct threat from products in the same industry on technological front except for Ultratone which is present only in home market and not on the international shores .

b. Research and funding

A major proportion of BMR’s revenues is invested into research. It is quite normal since the EMS industry thrive son technology. However the management used to shy away when it came to investment in new product development

This attitude was changed when O’Donohoe took over as the marketing director at BMR Ltd

He emphasized the fact that investment in new product development is vital to growth of brand Slendertone and neurotech across all markets.

c. Consumer buying mechanisms

BMR initially followed mail order system in Ireland but after the success of infomercials in French markets similar model was used to encourage phone orders. It also collaborated with home shopping channels to encourage sales in far flung markets. It has currently utilizing retail chains, direct marketing and distributors in some cases to promote and sell its products

http://www. businessballs. com/freepdfmaterials/pest-analysis-free-template. pdf accessed on 19/11/09 at 12: 08 pm

A Model of Key challenges faced by the management of Bio medical research (BMR) Ltd

SWOT analysis of BMR Ltd

|  |  |
| --- | --- |
| Strengths Product expertise and inhouse research and development facilities  Differentiation on Quality and value and service support  Access to international markets like France, Italy, Spain and South America.  Distribution directly controlled by BMR ltd thereby ensuring greater hold on Brand Slendertone and neurotech.  High demand and sales volume in home market and also UK which is the largest market for EMS products | Weaknesses Lack of published secondary data in the EMS industry which makes it difficult to analyse the positioning of competing brands, market share and the size of the market.  Loss of consumer confidence in certain markets due to exit of low cost product manufacturers from the EMS industry during the mid 1990.  Dependence on distributors rather than hiring sales force to cater to the international consumers |
| Opportunities Developed market in home country for professional EMS products.  Vast potential for brand Neurotech under BMR in healthcare industry.  Existence of strong body culture in certain countries like Italy, Spain South America thereby giving a BMR an opportunity to gain greater market share in fashion and cosmetic cum appearance industry | Threats Competition from other EMS brands like Ultra tone, CACI, Arysis in the professional market in Ireland due to lucrative nature of the market  Competition from substitutes products like fitness products, diet products, personal care products etc  Competition from low priced poor quality products which operate in certain markets and manage to gain a substantial market share due to lack of consumer awareness for brand Slendertone |

Application of Porter’s 5 forces model for EMS industry to analyse the strategic groups and evaluation of their key success factors and issues relating to mobility

www. strategy4u. com/…/five\_forces\_popup. shtml accessed on19/11/09 at 2: 04 pm

http://www. investopedia. com/terms/f/forwardintegration. asp accessed at 3: 20 pm

http://en. wikipedia. org/wiki/Critical\_success\_factor 19/11/09 at 6: 13 pm

A plan should be implemented that considers a platform for growth and profits as well as takes into consideration the following critical success factors:[5]

§ Money: positive cash flow, revenue growth, and profit margins.

§ Your future: Acquiring new customers and/or distributors.

§ Customer satisfaction: How happy they are?

§ Quality: How good is your product and service?

§ Product or service development: What’s new that will increase business with existing customers and attract new ones?

§ Intellectual capital: Increasing what you know is profitable.

§ Strategic relationships: New sources of business, products and outside revenue.

§ Employee attraction and retention: Your ability to extend your reach.

§ Sustainability: Your personal ability to keep it all going.

§ Extent of product (or service) diversity

§ Extent of Geographic coverage

§ Number of Market segments served

§ Distribution Channels used

§ Extent of Branding

§ Marketing Effort

§ Product (or service) quality

§ Pricing policy

### Use of Strategic Group Analysis

This analysis is useful in several ways:

§ Helps identify who the most direct competitors are and on what basis they compete.

§ Raises the question of how likely or possible it is for another organization to move from one strategic group to another.

§ Strategic Group mapping might also be used to identify opportunities.

Can also help identify strategic problems

Barriers to entry

http://www. oecd. org/dataoecd/8/61/2376087. pdf accessed on 19/11/09 at