

Pest analysis of ems industry



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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 DR have been relaxed. So there are no other specific political factors affecting company's policy as on date

2. 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

3. 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

4. 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 Weaknesses

<p>Product</p> <p>expertise and inhouse research and development facilities</p> <p>Differentiation on Quality and value and service support</p> <p>Access to international markets like France, Italy, Spain and South America.</p> <p>Distribution directly controlled by BMR ltd thereby ensuring</p>	<p>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.</p> <p>Loss of consumer confidence in certain markets due to exit</p>
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of low cost
product
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
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 Threats

Developed Competition
 market in from other
 home country EMS brands
 for like Ultra
 professional tone, CACI,
 EMS products. Arysis in
 Vast potential the
 for brand professional
 Neurotech market in
 under BMR in Ireland due
 healthcare to lucrative
 industry. nature of
 Existence of the market
 strong body Competition
 culture in from
 certain substitutes
 countries like products
 Italy, Spain like fitness
 South products,
 America diet
 thereby giving products,
 a BMR an personal
 opportunity to care
 gain greater products

etc

Competition

from low

priced poor

quality

products

which

operate in

market share certain

in fashion and markets

cosmetic cum and

appearance manage to

industry 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](http://www.strategy4u.com/.../five_forces_popup.shtml) accessed on 19/11/09 at 2: 04 pm

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

[http://en. wikipedia. org/wiki/Critical_success_factor](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.

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§ 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

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