

# Siemens swot and pestel analysis marketing essay



**ASSIGN  
BUSTER**

Siemens is a huge company founded in Berlin, Germany in 1847. The company is headquartered in Munich, Germany. The company produces a variety of products that serves a wide range of customers. Siemens produces electronics like mobile phones and other communication technologies, power generators, fire alarms, railway vehicles, home appliances, and medical instruments. There are more products Siemens produces, but the most important line of production nowadays is medical instruments. Siemens are known for its strong reputation and quality of medical instruments.

Moreover, Siemens has lots of competitors in this field, which is an important factor that pushes the company to beat the competition and lead the market. Siemens franchised in many countries including The Americas, Middle East, Asia, and Europe. Each one of these regions has one main office located in one area, for example, the main office of Siemens in the Middle East is located in Dubai. Siemens marketing strategy depends on commercial basis most of the time, where the company pays more attention to the more profitable areas in the company and develops it as much as they can.

Siemens first started in Egypt in 1901, which means that Siemens' first office in Egypt was launched for more than a hundred years. Over years, Siemens was well known in Egypt for its high quality products, innovation, and solid financial position. This history refers to the strong position of the company and its unique marketing strategy that is different from other competitors. How would a customer pick a Siemens product among many other products placed on the same shelf? Siemens has the answer for that question in this article.

## **Siemens' vision and mission:**

A company's vision describes what the company wants to be in future, and what it intends to be. After Siemens was founded in 1847; it made its vision clear. The company wanted to lead the market by many product lines; the company started producing products concerning many fields, starting from home appliances and medical instruments to railway vehicles and mobile phones. The strategy used was to produce in many fields as much as they can, and in future they will detect what the successful products are to lead the market with. By time, the company discontinued producing mobile phones, home appliances and many other, only few product lines were successful and able to lead the market. After filtering product lines, it appeared that two of the most successful product lines were power generators and medical instruments. Thus the company led the market by these two fields of production. As for Siemens' mission, the mission describes why the company founded and why does it exist. Siemens was founded to serve humanity with necessary everyday use products such as home appliances. Then power generators are necessary for huge production and industry, thus power generators were produced to serve industry and companies. Moreover, the company produced communication devices for everyday use. However, they decided to stop this line of production and start producing medical instruments to serve hospitals, cure medical issues, and help in doing researches.

## **Siemens' SWOT and PESTEL analysis:**

SWOT analysis stands for strengths, weaknesses, opportunities, and threats of any business. Any average company has to analyze their SWOT to be able

to compete, and solve the problems their business might face. As for PESTEL analysis, the word PESTEL stands for the factors affecting a business, these factors are political, economical, social, technological, environmental, and legal factors. Starting by Siemens' SWOT analysis, let us begin first with the strength points. Siemens has so many strength points, which helps the company solve its issues and build more customer relationships, these points are:

Wide range of service offering.

Innovation in their products, ideas, and solutions.

Leading competitive position.

Strong Brand name.

Equity between employees.

Providing excellent goods and services and online services for their customers.

Decentralization.

All employees are directed and motivated towards one goal.

Let's start by the wide range of service offerings, Siemens produces products that we use in our daily life, and their production lines fits the use of many customers in our society. For example, there are home appliances for housewives, railway vehicles for transporting, and instruments for professionals (Medical instruments and power generators). Second, Siemens

are very creative and innovative when it comes to production; they are always updating their products and looking for new solutions to develop their products. In addition, creativity and innovation are also used in their marketing strategy, as the company uses strong and rational plans that could solve their problems and beat their competitors. Third, Siemens' position in the market, Siemens has a leading competitive position. The company has many competitors in the market; the most popular competitor for the company is the American firm, General Electric. German industry is never tired from the competition, both companies are giants in their fields, and both companies fight for the first customer choice. This competition helps the company be more innovative and powerful. The fourth strength point of the company is the strong brand name, whenever the name Siemens is heard by any consumer, s/he will immediately think about quality, technology, and innovation. This brand name and its reputation help increase its sales all the time. After that, comes the employees and workers rights on the company, Siemens managers treat their employees equally, and they never also underestimate their works and efforts. Next, Siemens' services provided to customers are nothing less than a sign of excellence to maintain customer's loyalty. Eventually, the last two strength points are decentralization and the one goal that employees are motivated and oriented to. Decentralization means that Siemens distributes powers and functions away from only one decision maker, where all employees are part of action, which helps producing more efficient solutions. Siemens' workers and employees are oriented to only one goal to reach, which is excellence. This forces them to achieve customer's delight.

Next the points of weakness, it is hard to find a weak point for huge companies like Siemens. However, they are very few. These weaknesses are:

Less employee satisfaction with fewer promotions

complicated organizational structure

Siemens does not put promotions in consideration, while promotions are a very important ingredient in the marketing mix. Promotions are the only way to make the customer aware of the company's presence. However, a large company like Siemens has a wide range of loyal customers. Second, the complicated organizational structure, which is an internal weakness point within the company itself.

As for the company's opportunities, here are three main opportunities the company has:

Innovative offering.

Employment opportunities.

Strong position and franchising in many countries.

Siemens offers young, creative people the opportunity to be a member of the company. That is because the company believes that these people need to gain experience, and there is no other place welcomes person to gain experience such as Siemens. Another thing is franchising and globalizing in many regions, such as Brazil, Egypt, etc...

Finally, there comes the firm's threats, the main threats are:

Intense competition.

Competitors are providing less product pricing.

As mentioned before, the company faces many competitive threats; one of them is the giant General Electric. The competition between both companies is very intense, in addition many companies are offering less prices for products of similar quality. However, Siemens cannot take the risk of price competitions, because at the end of price wars, the business usually loses in both sides. Moreover, when you're buying Siemens, you are buying a brand that would serve you with quality and technology, which is likely to be more expensive than others.

As for PESTEL analysis, let us begin with the political factors affecting the company, Siemens does not franchise or spread the company in regions that are in war time, thus you would not find Siemens serving in Pakistan, Syria, etc... Second thing, economical factors, as the economical crisis is still running into many countries, Siemens can be less demanded by customers into poor regions like Egypt, India, etc... Thus the company's main target markets nowadays are the Americas, Europe, and the Middle East. Third, social factors, Siemens Company is perceived by customers as a stable, powerful company with good reputation. As for the technological factors, the company is always up to date with new solutions, ideas, and devices to beat the competition with technology. Environmental factors for Siemens differ from a country to another, depending on the economy, culture, and people. In some countries like Egypt, the environment is not always stable as the economy is not. Eventually, the legal factors, Siemens Company is the kind

of company that can hardly be put into judging court for copying rights or stealing ideas. Siemens legal history is very clean, and the company always avoids troubles and courts. Siemens' primary goal is to establish a high end network of qualified employees who know exactly how to gain the biggest market share.

## **Product and pricing:**

What is a product? One can say a product is a good, service, or idea consisting of tangible and intangible products that satisfies consumers' wants and is usually provided in exchange for money or some other value similar to that of the product. In other words product is " anything that satisfies customer needs" and there are two types of products, Physical products that could be used and touched by hands, and Services products such as holidays, accountancy, dental treatments, and health insurance.

Actually Siemens Company produces both types of products, services and physical. It works in more than 12 branches and product lines. First we will talk about:

### **1) Medical Instruments:**

Siemens is one of the world's largest suppliers and producers of healthcare systems in healthcare industry. Siemens Company produces many Medical instruments and equipment such as:

Breast care solutions: fighting breast cancer requires a unique approach that targets every step of the breast care process, from diagnosis to after care.

Siemens has the answers for breast care and contributes in solving any issues faced.

<https://assignbuster.com/siemens-swot-and-pestel-analysis-marketing-essay/>



Imaging and therapy systems: Siemens helps doctors save lives with advanced diagnostics and therapy technology. By making medication easier, more people can live longer, happier, and stronger

Siemens Hearing Instruments: Siemens offers a wide range of hearing aids for people in need of these instruments in their lives, these products are made to satisfy customers by being invisible, wireless, rechargeable, and waterproof. Moreover, it could be connected wirelessly to mobile phones, MP3 players, and other audio devices like radios and iPods.

## **2) Water Treatment and Management:**

Water scarcity is a problem that endangers our planet, and water pollution is increasing rapidly. Thus Siemens decided to Challenge this problem especially in the countries of the Middle East. Resources are being saved as much efficiently as possible to use the minimum energy and power.

Desalination plants in Abu Dhabi are one way to deliver water and energy supplies. In 2012, Siemens was awarded a long-term maintenance contract. This contract was awarded for the combined cycle power and desalination plant Jebel Ali M-Station in Dubai. This proves how efficient and effective the company is.

## **3) Equipped Railway Lines:**

Trains are among the most environment friendly means of transportation. In 2009, Siemens equipped and provided the railway between Riyadh and Dammam, Saudi Arabia with the latest communications technology. This ensures a reliable, efficient, and safer public transportation link between both cities. In Mecca, Saudi Arabia a modern railway vehicle transportation

system helps pilgrims and tourists to travel more quickly and more comfortably than before between the sites and around the city. Siemens supplied the whole railway electrification for the Mashaaer Al Mugaddassah underground system. The energy-efficient railway along the pilgrimage route is designed professionally to transport over 70, 000 passengers per hour.

#### **4) Renewable energy:**

**Renewable energy generations are environment friendly with using its power saving solar and wind energy. These generators are used to face the climate change. Renewable energy sources like solar and wind energy are very important. These devices are considered green and not harmful for the environment. The innovations and technology that Siemens is developing and using are to make electricity generations from solar, wind, and nature powers a lot more economical and effiecient.**

#### **5) Home applicants:**

Siemens develops tremendous, innovative, and useful appliances. It makes life a lot easier without disregarding high-performance. Examples of home applicants are: (Air conditioner, microwaves, small applicants, cooking, etc...)

Before developing a product, a company should first define the benefits of its offerings; these benefits are related and delivered by product specifications such as features, style, quality and design.

Product Quality: “ Germany Made” has always been an inspiration for tremendous success. Siemens quality is nothing less than putting the

customer into consideration, not only in technology and services, but also in our behaviors and how workers are oriented to deal with them.

Quality control is tested every day through three quality principles that describes the Siemens production way: Execution Excellence, Customer First and I Own Quality.

Those three principles, are accompanied by the aspiration of the company's talented workers to be the best in market, are forming the unique Siemens quality, let us discuss these principles in details:

Execution Excellence is all about doing it right from the first trial. With this Siemens approaches quality through early levels of production and increases containment.

Customer First: Encourages employees to be customer oriented, thinking and focusing on the needs of their customer and clients. It carries comments of customers inside the organization to improve their organizational functions and methods, and even develop new ideas and solutions to implement. This Ensures that the effect of a good service on a customer is fully understood and that Siemens are delivering high quality products, services, and rational solutions to maximize the sales rate and customers' loyalty.

I Own Quality means that every Siemens worker within the company takes a great personal responsibility as a daily routine for their decisions and actions to achieve customer satisfaction.

Product Features: Siemens create high end products by adding more technology and features. New and creative features are the key for strong  
<https://assignbuster.com/siemens-swot-and-pestel-analysis-marketing-essay/>

competitive position. As the world is changing and technology is developing day by day. Thus Siemens consider that their feature in their products is the only factor that differentiates its products from others. Being the first producer to introduce a valuable new feature is a very effective way to attract consumers.