

A case analysis of "the economist case study example

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



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Executive Summary

The report on the Economist starts by presenting the problem statement around which the whole discussion revolves. The firm is facing immense competition from other print media companies, threatening its future viability. The company has difficulties in providing credible and reliable information that will ensure its targeted audiences come back repeatedly to remain competitive in the future. The Economist needs to adjust its strategies to reach out to internet users and get the necessary intelligence. However, the application of alternative strategies, such as market research, collaborating with relevant partners, and customer motivation, can help the Economist remain competitive. The discussion recommends the motivation of clients as the best strategy because it provides the company with the

opportunity to strengthen its customer relations. It is also cost-effective and focuses on making improvements based on the views and expectations of the company's clients.

A Case Analysis of “ The Economist”

Introduction

The success of a business organization significantly relies on how it positions itself in the competitive business environment. The regular evaluation of the internal and external business environments is of the essence in formulating strategies that will help the enterprise to adapt to the current, dynamic business environment. The Economist is one of the leading companies in the print media industry and provides its clients with an array of reading magazines. Its management team has contributed immensely to the excellent performance of the business that has seen the number of its readers increase steadily since its inception. The Economist has published many magazines that have come out as outstanding in the competitive print media industry. Therefore, it is imperative to examine the position of the firm in the competitive print media market.

Problem Statement

The Economist magazines have recently attracted a massive traffic in respect of the number of readers. However, the Economist Firm is facing rivalry from other renowned print media companies, a move that has threatened the future of its articles. The need to provide challenging and relevant information that enhances the knowledge of the readers has remained a challenge to many print media firms. The Economist has made

enormous contributions to the provision of quality and credible information to the targeted audiences. The Economist's management team has been at the forefront in striving to adjust and fit in the dynamic business environment in the print media sector. It is imperative for print media firms, such as the Economist, to remain alert to reach out to their customers who are turning to electronic media for information. The strategic management team of many business firms is also finding it difficult and expensive to conduct regular market analysis and evaluations to provide mass intelligence (Oberholzer-Gee, Anand, & Gomez, 2010).

Internal Analysis

Strengths

The Economist has benefited immensely from its strengths in the print media (Motohashi, 2015). The firm has an excellent team of competent editors who have contributed tremendously to its success in the competitive print media industry (Oberholzer-Gee, Anand, & Gomez, 2010). In addition, the firm values its customers, a practice that attracts more clients, giving it a competitive advantage over its competitors.

The strong strategic management team under the leadership of Andrew Rashbass has also applied the relevant managerial skills and theories that have contributed to the success of the Economist. As a result, the firm has attracted many readers and companies seeking advertisement services. The human resource department recruits and retains employees with the required competences to promote its operations in the production of excellent magazines that empower the public with crucial information.

Besides, the organization has attained a competitive advantage over its rivals by utilizing the services of creative and innovative individuals.

The firm has registered tremendous profits following the increased sale volumes of its magazines. Therefore, the Economist enjoys a strong financial base that has contributed to the increased production of news articles and provided platforms for the advertisement of products of the renowned companies. The firm has registered an increased operating, gross, and annual profits over the years as shown in Appendix 1. The Economist has relied on its readers as the primary source of finance, as they have promoted the company by buying volumes of its magazines. Advertisement premiums have also complemented the profits gained from the sale of the company's publications.

The firm has established good relationships with its customers, a practice that has seen the number of its clients increase steadily (Oberholzer-Gee, Anand, & Gomez, 2010). This business strategy has contributed to the attraction of a massive traffic of customers to the firm. Its clients are fond of its magazines and services, which have won their loyalty.

Weaknesses

The Economist suffered on account of the world economic recession, which has seen it struggle to remain viable in the dynamic print media. The high operating costs have remained a challenge that threatens the quality and hence credibility of its services and products. The Economist can enhance its relationships with its suppliers and distributors. The firm should identify and work with reliable merchants and vendors that will ensure a constant supply

of the raw materials it needs and the circulation of magazines to its consumers in various nations around the globe. The firm should strategize to serve internet users to enhance their online experience.

External Analysis

Opportunities

The most significant opportunity the firm could utilize is the increasing number of internet users. Maximizing on online publications has many advantages that the Economist could exploit. One of them is the fact that such copies are cheaper to produce, as they do not require printing material. Clients can also be able to send their feedback over the internet by means of email and other web forms. Online publications also reach the client much faster and do so at the most convenient location such readers. For that reason, it is possible to reach a much wider audience, as the only thing they need is internet access.

The board of governors typically nominates the chief executive officer leading the Economist Firm (Oberholzer-Gee, Anand, & Gomez, 2010). The Board of Trustees ensures the smooth running of the business as per its policies. The board can expand the company's networks with the stakeholders. The suppliers and distributors have also contributed to the success of the Economist and its products in the competitive print media market. The Economist's board can also implement relevant policies to continuously improve its services and content of its magazines, which will help it remain relevant in the dynamic business environment.

Threats

The provision of mass intelligence to the targeted audience has remained a challenge to the Economist. However, the management has provided an array of magazines to the public on various subjects, ranging from business to politics. The company's ability to retain its clients is also not strong enough, which means it could lose them to its rivals. However, this threat could be solved by capitalizing on building a significant and diverse online clientele.

The external business environment has significantly affected the operations of the Economist (Canzer, 2006). The changes in the consumption behavior of consumers have threatened the future of the Economist. Many consumers are turning to the internet as a source of the information they need concerning an individual product or controversial topic. The global print media market is flooded with many news articles from different media companies. The saturation of the market demands that the Economist re-strategizes to remain viable and meet the needs and expectations of the consumers. The political instability and the threat of terrorism have also negatively affected the operations of the Economist on a global scale.

The Economist has also faced increased competition from the Times and the Newsweek, as they cover similar content. Although the Economist has been successful in the print media industry, the firm is facing the threat of losing its customers to its rivals. Therefore, the management is facing the challenge of formulating new strategies to meet the expectations of its targeted customers. However, it is still struggling to maintain its competitive

advantage to continue outshining its rivals (Oberholzer-Gee, Anand, & Gomez, 2010).

Alternative Solutions

Regular Market Research

The Economist can resort to conducting regular feasibility studies to understand the consumer's behaviors to prepare appropriate content at the convenience of the users. Although it is expensive to conduct a regular market research, the strategy can help the organization to track the market trends in the dynamic business environment. Conducting feasibility studies on the market trends can also help the organization to collect vital information about the customers. The collected data can be used in the formulation of informed decisions that will increase the efficiency and productivity of the Economist.

Partnering With Other Firms

Alternatively, the company should collaborate with the relevant business firms that can increase its sales volumes and profits. The technique will help the Economist to reach out to the online customers without necessarily incurring extra costs. Working with other companies will also market the activities and products of the firm. However, failure to identify reliable and like-minded partners can result in a decrease in the sales volumes and gains (Oberholzer-Gee, Anand, & Gomez, 2010).

Customer Motivation

The Economist can also resort to offering discounts to its customers as incentives to attract them to purchase their products. The method will ensure that the firm continues publishing credible information that meets the needs and expectations of its consumers. Besides, the firm can win the loyalty of the targeted audiences who will come back repeatedly to seek its services. However, this strategy can be costly because it involves offering huge discounts to the readers and other clients. Giving incentives to the consumers can also decrease its annual profits.

Recommended Solution

I would recommend the Economist to motivate its clients, as the alternative has the potential to establish a good relationship between the firm and its customers. The Economist should be more concerned about its customer relations for it to remain competitive in the future. The management of the organization can incorporate the ideas raised by clients into its publications for them to feel highly valued. Regular meetings with the consumers will provide opportunities for the Economist to meet such clients and make a follow up on them. Besides, it encourages the targeted audience to come back for the same services repeatedly. The motivation of such clients guarantees their loyalty and promotes repeat business.

Implementation Plan

The Economist's management should have an efficient team that will see a successful implementation of the project to increase the revenues of the firm. The management should have an effective marketing team to reach out

to its targeted audiences and follow up on the issue. It is of the essence to meet the needs of internet users beyond their expectations to win their loyalty. The Economist should focus on preparing publications touching on massive intelligence to serve a wide range of its customers. The firm should satisfy its readers and other clients to guarantee a successful performance in the future. The public relations department should work on improving the working relationships between the organization and the targeted audiences. Establishing and maintaining good customer relations is crucial in retaining them for a long time. There should be an efficient customer feedback system to respond to the complaints of the consumers to win their loyalty. Failing to tackle the issues raised by the clients may cause them to terminate their links with the Economist. Therefore, the public relations office should be committed to serving the customer and assuring them of high-quality services. Additionally, the firm should continue valuing and motivating them to strengthen customer relationships. The firm should also consider providing a digital platform through which the online customers can quickly access the magazines online.

Conclusion

As illustrated in the report, it is of the essence for a business firm to evaluate its external and internal business environment to remain viable in the competitive. Likewise, the Economist has done extremely well in the print media sector on a global scale. The positioning of the Economist has contributed immensely to the high performance that has helped it outshine its rival competitors, such as the Times and the Newsweek. However, the

new trend that has seen most content readers go online is threatening the Economist's dominance. Therefore, it is vital for it to have a regular assessment of its performance and operations for it to remain competitive in the dynamic print media business environment.

References

Canzer, B. (2006). E-Business: Strategic Thinking and Practice (Illustrated ed.). Boston, MA: Cengage Learning.

Motohashi, K. (2015). Global Business Strategy: Multinational Corporations Venturing Into Emerging Markets. Tokyo: Springer.

Oberholzer-Gee, F., Anand, B., & Gomez, L. (2010, March). The Economist. Retrieved from http://c.ymcdn.com/sites/www.artcurators.org/resource/resmgr/ccl_2012/the_economist.pdf

Appendices

Appendix 1

The Economist Group, Consolidated Profit and Loss Account (Oberholzer-Gee, Anand, & Gomez, 2010).

Appendix II: SWOT Analysis