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Should Tommy recommend that Egan drop the Westward account? Westward is a loyal customer of Egan for 63 years. It was the more important customer. But, these last few years, because of the financial crisis in the European Union, and here more precisely in the United Kingdom, Westward company has only half of the normal activity. That decreasing amount of work implies financial issues, and Egan is loosingmoneywhen they work with Westward.

Before evaluation the relevance to continue business with Westward, we must cake into account that a loyal customer is a relationship very hard to build in the business world, and it can take several years to find and to build a loyal relationship with a new customer. We have to split the responsibilities of the bad economic situation of the company between Wisteria's faults andenvironment's faults. Taking a decision about an old loyal customer means to be sure that all the details of the strategies of the two companies have been understood.

Egan & Sons is not a company with a good economic situation in long term because its strategy has a robber because the administration of the society is too traditional. These problems were highlighted by the emergence of new competitors. If Egan wants to be shown like an interesting society in long terms benefits, they will have to adapt their strategy to all the recent changes. The external environment are also important to consider if we want to have a precise idea of the responsibilities of this situation. Egan has to do something because several extern competitors threaten the society's benefits.

Indeed, Chinese impasses highlighted the lack of adaptability of the firm. Furthermore, the external environment in United Kingdom is really bleak and businesses are slowing or falling down. This environment can explain a part of the economic problems of Westward, but that doesn't excuse all of the bad issues of this company. The external environment, the financial crisis, the increasing of the competition, raise an other important obstacle for the future of the firm Egan without Westward. Indeed, if this important and loyal customer is dropped, that will be really official to find a trustful and loyal supplier with a good financial situation.

Egan will have to decrease its production if they want to avoid that the costs become higher than the revenues. BIB Marketing homework word By Gerald one or two months. The negotiations with Westward must treat of the strategy of the firm. Tommy should explain clearly the situation of the relationship between the two companies and state that or Steve and Westward radically change their strategy or they will no longer be a customer of Egan. Even if they change their strategy, decisions will make a long mime to have some effects.

On theloyaltyladder, Westward is on the top of the loyal customers. Egan has to change the type of customer of Westward. Before, Westward was a privileged customer with special benefits but with the current situation, it cannot continue anymore. Westward must become a discount customer with less advantages in order to balance the losses and the benefits of the two companies. That will be a problem for Westward because they have already financial problems and if they become Just a discount customer of one of their best appliers, their profitability will be really affected. You may also be interested in reading Business and Society Relationship

The administration will have, after the change of strategy, to change the organization in order to create short term benefits. A resuscitation of the firm must be studied and an audit of all the suppliers and customers must be done so the costs will be minimized and the products standardized. It is highly recommended that Tommy waits to see the effects of all the different effects of the changes on long term, strategy, and on short term, organization, before to drop this customer.