

Environmental analysis- marketing strategy assignment

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The weight of 18 has a negative impact on Hein and Mann as there are losing their main target customers who purchase exclusive furniture, such as executives and professionals who are being retrenched and leaving South Africa. The score of 32% shows that Hein and Mann have shown growth in export business and expansion of their product range in the UK would competitive advantage in the market. Slow service delivery score 32 which means that Hein and Mann has faced low turnover of customers as most of them are considering using other suppliers who deliver on time promised and offer discounts. The score of 28 shows, that customer relationship with customers is important.

However Hein and Mann do not show empathy towards customers. This in turn results in low turnover of customers. 2. Industry analysis of Hein and Mann Threat of new entrants There are many barriers that include high entry costs, in this case new entries in the furniture business WOULD not succeed because heavy investment is required in marketing and purchasing equipment. This is an advantage for Hein and Mann as there have a guaranteed higher position in the industry. This is so because there have been operating in the industry for a long time and have vast experience, equipment, loyal customers and clients are aware of them in the market place.

Hence the extent to which barriers to entry exist, the more difficult it is for Other furniture firms to enter the market, therefore, Hein and Mann can make relatively high profits. Bargaining power of suppliers Hein and Mann as suppliers produce exclusive and quality pine furniture, this in turn makes them acquire a distinctive image in the industry. It could be difficult for <https://assignbuster.com/environmental-analysis-marketing-strategy-assignment/>

dealers to switch to other suppliers in the industry because of the loyalty of customers to Hein and Mann furniture, therefore Hein and Mann would make profit because there are few alternatives of furniture firms that dealers would switch to. Competitive Intensity or rivalry

Hein and Mann is faced with rivalry as there is increase of competition between existing firms, this proves to be a challenge to generate high profit because companies such as Furniture City and Bearers are opting to switch to other suppliers that provide discounts and value customer relationships. Threats from substitute of buyers Hein and Mann customers, such as bearers and Furniture City have shown the ease with which they can switch to another supplies of furniture. This is so because customers perceive other alternatives to be similar to Hein and Mann furniture. The furniture industry for Hein and Mann is attractive, as there have experience in the industry and understand the market in which there are operating in.