

# Swot analysis bang and olufsen



**ASSIGN  
BUSTER**

Bang and Olufsen (B&O) is a company based in Denmark and is renowned for the manufacture of audio products, telephones, and television sets. Its eighty-six years now since it was founded by Peter Band and Svend Olufsen. The company has been among the best manufacturers of electronic appliances through its continually improved variety of audio-video products. With these, it has its eyes and focus on the fashion sensitive customers who seek the trendiest appliances in the market and of excellent quality. Its marketing team has been active across the globe promoting the company's numerous designs of DVD players, high tech televisions, loud speakers, and digital music players amongst many products, but still Denmark remains as the largest fraction of its market base. Continual innovations and design improvement has bestowed B&O global awards as one of the leaders in innovation and product development within the industry. In a competitive market, this has therefore granted it a position for some of the company's products in the Museum of Modern Art, New York. This positions it as a better competitor amongst market players. Good as it may seem with most of the company's customers locked in with loyalty for quality products, many challenges have stepped in though henceforth pulling down the company's growth rate. This paper will therefore examine the Strengths, the weaknesses, opportunities and the threats that besiege Bang and Olufsen Company.

### **(S)trengths**

A firm's strengths are the resources and capabilities that it uses to gain a competitive edge (Laurence. 2009). Bang and Olufsen has maintained its competences through vast experience, practice, and continual development.

It has gained strength over the years because it strives to ensure that customers always get the greatest experience of their products. Amongst its strong muscles is the excellent picture and sound performances of B&O products, which outplays most of what is in the market. By this, the company ensures that the products have picture production that is closest to real life experience and the sound reproduced as authentically as possible. Another is the user interface and customer care. Bang and Olufsen understands that technology may be very challenging to its customers. It therefore makes products that are user friendly and gives as much support to the customers as possible concerning product use. This point of interface has drawn the customers even closer to the company as they feel emotionally cared for unlike most entrants who pursue money alone and not customer satisfaction. Additionally, the design and quality of the products is the core of everything at Bang and Olufsen. The company uses design to tell a story about its ideas, its products, and itself (Bryston & Giete, 2011). The company contracts the most proficient product designers and designs products that are not only aesthetically pleasing, but also effectively functional. B&O shows its strength also in the quality of material used for its products. This is costly, but is worth the value of the customers it has stripped off its competitors. Customers are more willing to pay for quality products than faulty ones, which will need even more money to repair.

### **(W)eaknesses**

Band and Oufsen has seen many successes, but it has been unable to reach certain levels because of certain challenges. These weaknesses of the company come in different shapes. B&O have managed to produce

televisions that offer a truly cinematic experience for instance, and the company has thrust its chest that nothing beats its ' BeoVision 10-40' plasma screen. It is unfortunate though that customers spread word that the plasma technology used for the TVs ages with time. The plasma screen slowly deteriorates and the crispy colors become tired and faded after some time (Wheeler, 2009). This has had a negative effect on the product purchase in preference for other products offered by competitors. Another most important trait of the B&O products is the price. Customers are very sensitive about the price of a product and are particularly keen about the value they get. Many customers agree that Band and Olufsen offers a great quality for their products, but the prices lock out many consumers. Most customers therefore have no option but to purchase an alternative from the company's competitors who offer lesser prices.

### **(O)pportunities**

Nonetheless, the company has opportunities that can funnel in more profit. These are like a mine of gold within its reach. The company has a research and development team of three thousand staff that has been on their toes. In affiliation with the global marketing team, that has uncovered unmet customer needs; the company has developed a strategy plan to tap in these opportunities. A global demand of the audio-video products also tastes good to the company and administration works round the clock to spread its wings to these markets. In pursuit of this, the company has been beckoning for franchise opportunities to interested parties and advertising for retailer opportunities to help in distribution of its products across the world. New technology is also rolling out continually to the benefit of product designers

and manufacturers. The company therefore has the opportunity to adopt these in order to optimize its productions.

### **(T)hreats**

The business strategies may be excellent, but still a number of factors threaten to strip the company of its profitability. A major one is competition from other entities. Competitors who produce products of almost similar quality but sell at relatively low prices have pushed B&O to the edge. These are companies like Sony and apple, which pose an unfavorable tremor in the market for Bang and Olufsen. Most consumers have no option but to forgo purchasing plasma screens just because they have a B&O stamp, and purchase the alternatives at quarter the price or even less. Price has therefore been a damaging factor on the face of B&O but still the quality of its products stand out.

As a conclusion, Bang and Olfusen should not necessary pursue the most promising opportunities. Instead, it could identify a perfect-fit of the strengths and opportunities by use of the SWOT matrix.