

Using SWOT to Build a Marketing Strategy

There was a time when the SWOT (Strength, Weakness, Opportunity, Threat) analysis was a central and critical phase in the development of corporate strategy. Like many standardized steps (such as business plans), it has become somewhat obsolete as people believe they can cover all the points without actually having to go through all the steps. This is a mistake, of course. Fact is that the SWOT analysis is also an extremely useful tool in the creation of a marketing strategy.

By engaging in a market related SWOT analysis you stand to gain insight into some very crucial aspects of your arena, your product, and your targeted markets. This information will serve you well as you determine the tactics and tools you will need to gain the market position and sales volumes outlined in your forecasts and objective lists. Among the information a good SWOT will provide includes:

- How does your product compare to the competition?
- Are your intended marketing activities sufficient to obtain your objectives?
- What market opportunities are most immediate and how can they be exploited?
- What long term opportunities are there and how can they be obtained?
- What are the threats from the market and what can be done to neutralize or stall them?

More specifically, a SWOT analysis will allow you to answer the following critical market related questions:

- Strength – What is your competitive advantage?
- Weakness – What is your competitive vulnerabilities?
- Opportunity – Where within the market do the most lucrative possibilities lie?
- Threat – What should you be aware of in terms of what could have the most negative impact?

So how do you actually execute a SWOT analysis constructed for your strategic marketing needs? It's not nearly as hard as it may seem.

Assessing Your Strengths

The most important aspect of assessing your strengths is the focus you place on the benefits it provides to its intended users and how that benefit is greater than the good delivered by competing products. By beginning your study with benefit you are able to immediately identify the main competitive advantage of your product. Other areas you may want to explore for benefits include price, quality, durability, and the extent to which it fulfills all the demands of your targeted market.

Once you have studied the strengths of your product you can focus on the strengths of your company. Areas to be reviewed include distribution reach, manufacturing capacity, product and new generation development, brand awareness, and sales network.

By establishing the strengths inherent in both your product and your company you are identifying the key elements that you will use to drive your marketing campaign. These are critical to understand as you create your marketing strategy.

Assessing Your Weaknesses

To execute this portion of your SWOT you need to not only ask yourself the difficult questions, but seek out the answers. The questions include:

- What features is your product lacking?
- In what ways are your competitor's products superior?
- What obstacles does the company pose to its own success (such as structure, lack of manpower, lack of funds)?

This is perhaps the most difficult phase of a SWOT because it requires brutal honesty and a willingness and capacity to not only recognize weaknesses but be willing to accept them. The importance of this phase cannot be over emphasized, as the weaknesses you discover through this process will provide you not only with what needs to be strengthened and improved, but also what you need to avoid while creating your marketing strategy. For example, if your SWOT determines that your product is weak in a specific category, it will prove prudent not to draw attention to that category in your marketing.

Understanding Market Opportunities

This section is your chance to really focus on marketing. Where are the market opportunities and where should the company focus be to get the greatest return for the least amount of dollars and in the shortest period of time? In reviewing the opportunities you can focus almost solely on market considerations, such as which sectors, companies, markets, targets and segments have the greatest need for the product and the most accessible channels for raising both awareness and interest?

During this phase you can also differentiate between long term and short term opportunities and use the analysis to devise strategies that take advantage of both sets of prospects.

Also, in building this portion of the analysis you should once again look beyond the products and to the company. Are there any core advantages the company has that present it with an opportunity? How can these opportunities be identified and utilized to structure a marketing strategy that serves to drive sales?

Understanding Market Threats

Threats most often come from competitors, although there can also be threats in anticipated or unforeseen regulations, internal company upheaval, and market changes due to the introduction of new technologies. All of these threats need to be evaluated and understood. However, understanding your competitors is perhaps the most crucial. One of the ways you can learn about your competitors is to perform a SWOT analysis on them, asking yourself what their strengths, weaknesses, opportunities and threats are, and using your newfound understanding to dilute their strength, highlight their weakness, interfere with their opportunities, and establish new threats. These elements then become the central components of your pro-active marketing strategy.

Using SWOT to create a marketing strategy makes a great deal of sense because the process forces you to review all the important elements of your product and your company within the context of the market within which you will be operating. The exercise is more than just a formality. It is an important phase for you to implement so that your marketing graduates from hit-and-miss to a well coordinated, highly focused, seriously ambitious plan of growth.