SWOT AND PESTEL ANALYSES FRAMEWORKS AS STRATEGIC MANAGEMENT EVALUATION TOOLS OF ENTERPRISE MARKETING ACTIVITIES

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Strategic analysis is a critical process for organizations aiming to achieve and sustain a long-lasting competitive advantage. Strategic management aims to provide a clear roadmap for growth, optimize resource allocation, and ensure long-term viability in a dynamic market. Businesses can proactively identify opportunities and threats by methodically evaluating the strategic landscape, reducing risks, and matching their capabilities with market demands. Managing intricate market dynamics and attaining long-term organizational success depends heavily on effective strategic analysis.

Strategic management progresses through four key stages. Strategic evaluation analyzes internal elements such as, resources, culture, leadership forming core competencies and external forces as political, economic, social, technological, environmental, legal using frameworks like SWOT and PESTEL. This informs strategic planning, where detailed action plans and measurable goals align with organizational vision, integrating marketing, operations, finance, HR, and R&D. Strategic implementation involves leadership communicating objectives, aligning structure and culture, and ensuring corporate governance. Finally, strategic outcomes, for example, revenue, market share, brand awareness provide essential feedback, making the process cyclical. (Loredana, 2016)

Marketing is vital to organizational performance and defining business outcomes. It identifies customer needs, adds value to products/services, and differentiates from competitors. Strategic marketing sets realistic objectives, grows business strategies, prioritizes operational changes, and improves overall performance. Effective strategies rely on understanding and utilizing internal and external factors, shaping operational focus (Durmaz, Jablonski, & Akbay, 2010).

Organizations use various strategic marketing approaches. Roger Best identified six main strategies (Laburtseva et al., 2021):

1. Demand Management: Marketing tasks depend on industry demand. For negative, declining, excessive, or irrational demand, specialized strategies, like arbitration management to stimulate demand, apply. Companies must ensure projected cash flows meet or exceed forecasts.
2. Increasing Market Share: A basic strategy for financial growth is increasing market share. If traditional methods fail, the "blue ocean" strategy by Kim and

Mauborgne can redefine the industry space by combining related industries and customer needs. (Kim, & Mauborgne, 2005)

3. Increasing Customer Profitability: This strategy maximizes value from each customer by refining the client portfolio. Segmenting customers by profit (transaction size, purchase frequency) allows focus on high-profit segments through targeted initiatives like email campaigns with discounts or early access for frequent buyers.
4. Managing Sales Markets: This approach adjusts product sales by expanding into new markets or focusing on core values. A cost-efficient method is returning to familiar, reputable products, as seen with Starbucks' "Back to Starbucks" initiative in 2025, shifting focus to original concepts and brand identity over discounts. A more complex option involves launching new products or services.
5. Reducing Variable Marketing Costs: Organizations can improve the bottom line by reducing variable marketing costs (e.g., promotional materials, PPC ads, sponsorships). While increasing per-unit margins may impact long-term customer satisfaction. Shifting from direct-mail coupons to personalized email promotions saves costs and engages loyal customers.
6. Optimizing Ongoing Marketing Investments: This strategy involves reducing unnecessary costs that are not tied to distribution and customer service and optimizing marketing investments.

Key analytical frameworks for strategic marketing involve constant monitoring of internal and external factors. SWOT analysis is a widely used tool for evaluating these factors, helping organizations adjust their goals and strategies based on market conditions. (Sammut-Bonnici & Galea, 2015).

- Strengths (S): Core competencies, financial resources, competitive positioning, brand reputation, and strong digital presence.
- Weaknesses (W): Declining competencies, insufficient capital, poor market intelligence, and outdated technologies.
- Opportunities (O): Expanding product lines, adopting new technologies, strategic partnerships, and stable economic conditions.
- Threats (T): Slowing growth, rising substitutes, competitive pressures, and economic downturns.

Creating a matrix table with strategies corresponding to these factors can aid in strategic decision-making.

PESTEL analysis, unlike SWOT, focuses solely on the external macro-environment, scanning industry context and national, global, and industry-level factors like political shifts, economic cycles, social trends, technological advancements, environmental regulations, and legal changes. (Yusop, 2018).

Ansoff's Product–Market Matrix, developed by Igor Ansoff in 1957, helps businesses identify growth strategies through two dimensions: product offerings and market types.

1. Market Penetration (Existing Products / Existing Markets): Increases market share by boosting sales of current products through promotions, competitive pricing, and quality improvements.

2. Product Development (New Products / Existing Markets): Involves creating new or improved products for existing markets, requiring R&D and customer feedback.

3. Market Development (Existing Products / New Markets):

Expands existing products into new segments or regions, possibly adapting them for local preferences.

4. Diversification (New Products / New Markets): The riskiest strategy, involving significant investment to enter unfamiliar industries with new products, including market research and planning.

With the help of market research, Ansoff's Matrix makes growth paths clear. Its main drawback is that it assumes stable market conditions while neglecting rival reactions, shifting laws, or quick changes in consumer behavior. A thorough strategic overview should be obtained by combining the Matrix with SWOT and PESTEL to avoid this.

In summary, the success of an organization depends on strategic analysis, which includes planning, execution, evaluation, and outcome assessment. Structured methods for comprehending the internal and external environments, spotting growth prospects, and reducing risks are offered by frameworks such as SWOT, PESTEL, and Ansoff's Matrix.

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