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SWOT Analysis for Cube Stuff

A SWOT analysis as noted by Armstrong and Kotler (2014) is an approach a firm can use to do a situational analysis. The firm identifies its strengths, weaknesses, opportunities, and threats (54) in order to develop its marketing plan (54).

In considering its strengths the firm looks at internal factors that it can rely on to accomplish its objectives currently and with an eye towards future growth. These include such things as a strong management team, a highly functioning business processes, a good financial condition, having a good relationship with its customers and with its suppliers, and a strong demand for the products and services it provides. It looks at advantages it has over its competitors. Knowing these strengths allows a company to capitalize on them as it builds its marketing plan.

Weaknesses are also internal factors that the firm must consider. Again, the firm looks at internal problem areas such as low customer satisfaction, bad press, or high employee turnover. This analysis may uncover areas that need further attention.

In the Opportunity section of a SWOT analysis, the company looks at external factors that could be beneficial to future growth and increased profitability. Areas to consider include changes coming in legal or regulatory environments, expected improvement in the economy especially for the customer segments the company serves, and technological changes that could increase the ability of the firm to run its processes more efficiently. This analysis may uncover opportunities for new products and services or new markets for existing products and services.

The Threats section also looks externally. It is useful to include potential changes in the legal and regulatory environments that could be negative such as higher taxes or more restrictions. The economic forecast may not be as strong as the current economy. This section takes a serious look at competitors, both current competitors and how they might respond and at potential new entrants. Understanding these factors provides the company a chance to develop strategies to deal with them.

In implementing a SWOT analysis, some have said that it can be difficult to get managers to be specific about their strengths and weaknesses and have found addressing these factors in reverse order is more useful, a TOWS if you will (Warren 2007). He found that they were able to do a focused analysis quickly of the threats and opportunities of the external environment and then use this foundation to talk about how their strengths and weaknesses related to the threats and opportunities and what needed to be done. Either way, a company needs to know these elements in order to develop its marketing plan.

Cube Stuff is a company that provides products to meet customers' need to enrich their work lives by thoughtfully decorating their work cubicles. The decor also needs to complement the firm's culture, letting the cubicle work for the individual and fit in the work environment.

- Strengths

Cube Stuff's total potential market, individuals who work in cubicles, is quite large. A rough estimate of the number of cubicles in the United States in 2004 was 13,517,000 (ragingacademic-ga 2004). Given the Great Recession this number while old may not be too far off the mark. While Cube Stuff's forecast will reduce this potential number (Berry 2013) by targeting certain segments via such things as location and the factors that influence customer

behavior: cultural, social, personal, and psychological (Armstrong and Kotler, 134) it is a strength to have such a large initial base.

Cube Stuff as an existing business has processes in place to market cubicle decorating items to cubicle workers across the continental United States. This includes relationships with customers, suppliers and internal processes to fulfill customer orders.

It can analyze the 4 Ps in terms of their strengths. A review of product sales shows which ones are strong and which don't move. Cube Stuff offers sales on some items so that lets it test the impact of price. Its presence is on the web and its target market is the continental United States. Its promotion is via social media such as Facebook.

- **Weaknesses**

Cube Stuff's weaknesses are some of the flip side of its strengths. For example, it thinks of its product in terms of items rather than as a proxy for its real product of helping customers individualize their cubicles. This weakness may make it miss opportunities.

Its promotions seem to be limited. Googling Cube Stuff brings up Facebook but no other channels. They could explore additional promotion activities.

They currently limit sales to the continental United States and also excludes some PO Boxes as well as FPO and APO. This may be limiting sales unnecessarily.

- **Opportunities**

Analyzing what their customers want and need opens opportunities to expand their services by segmenting their markets. Many baby boomers are working past traditional retirement ages and they have larger disposable incomes. Generation X individuals are more concerned with experiences than things and might want their cubicle life to be a more positive

experience. Millennials are again a large demographic group although they have a lower disposable income (Armstrong and Kotler, 73).

The improving economy is gradually providing more jobs so there will be more workers.

Workers are very busy. It is estimated that today's working mother has only 36 minutes a day of free time. The Organization for Economic Cooperation and Development (OECD) ranked the United States 29th in work-life balance (Saccaro). No free time indicates that a service that provided a cubicle decorating kit could help those who have no time to shop for cubicle decorations.

- **Threats**

Cultural and legal issues pose potential threats to Cube Stuff's product line. Cube Stuff must be very sensitive to the cultural and legal climate so that it doesn't offer products that offend. In some cases products could run afoul of legal rulings as well as of society values.

Many people are now beginning to work from home. In fact one recent estimate states that 24% of workers work at home at least part of the time (Armstrong and Kotler, 77). This could impact Cube Stuff's cubicle decorating market although perhaps decorating for the home desk could be an offsetting product line.

Competition could become a problem. The business model looks easy to duplicate. Cube Stuff needs to rely on and grow its strengths much as Zappo's did with its great customer service in order to both retain and grow market share in light of potential competition.

Conclusion

Strengths	Weaknesses
Large potential market	Thinks of product in terms of items
Relationships with customers and suppliers; Processes in place	Limited promotion
Existing data on the 4 Ps	Limit sales to continental United States
Opportunities	Threats
Expand market with targeting and broader view of offering "helping workers individualize work space"	Legal and corporate rulings, cultural concerns could block some products, create bad press
Economy improving	Work at home increasing thus limiting growth in cubicle workers
Workers have little free time	Easy business model for competition to enter

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