

SWOT Analysis Explanation

A [SWOT analysis](#) should be a major piece in the marketing plan for any professional business, organization, or company. SWOT is an acronym that stands for strengths, weaknesses, opportunities, and threats. Strengths and weaknesses focus on aspects inside the company, while opportunities and threats come from outside the company. The idea was created by [Albert Humphrey](#), a business consultant. Researching and looking at each of these areas will play a part in the future endeavors to market the products and services a business has to offer.

Strengths

The “S” in SWOT stands for strengths, and this is perhaps the most important component of the analysis. The strengths are a major part of a marketing plan because this will be what the company wants to market. People want to know what someone can do for them to make life easier or fulfill a need. A strength is something a company does well. This is beneficial if it’s a strength that not many other companies have. If a company has dedicated itself to providing great customer service skills, this could be something that sets it apart and gives it an edge over the competition. The positives will give a company credibility. This is how it will find customers.

Weakness

Although a business probably won’t call attention to its weaknesses, it is still essential information for the insiders to know. When employees know the weaknesses of a company, they can work to fix them. When weaknesses are out in the open, companies can develop plans to improve and turn weaknesses into strengths. Addressing weaknesses shows that a company cares about providing quality products and services.

Opportunities

Opportunities can cover a variety of topics. This means opportunities outside the company to improve, market, gain customers, gain employees, or undertake a new project. There are constant opportunities in companies, businesses, and organizations. Working with a professional outside the business could give a company the opportunity to improve communication. Attending a conference is an opportunity for employees to learn new skills. Conducting a focus group is an opportunity to learn about different viewpoints and market to a wider audience. When a rival company shuts down, this is an opportunity to gain customers. There are many opportunities that come up daily when it comes to marketing. By taking advantage of the opportunities, a company can become more successful.

Threats

Just as every business faces opportunities, they also face threats. This could be anything outside the business that could cause it to fail or decline. Other competitive companies could be a threat. The economy, or potential closure because of the economy, could be another threat. By acknowledging threats a company can be prepared and make plans to overcome them. Knowing what could be detrimental allows individuals to have discussions and figure out what they might do if a threat comes up. This way, the company can deal with the threat, and eventually move forward.

A SWOT analysis can be beneficial to a marketing plan because it helps a business to understand itself better. Marketers can build on the strengths, address the weaknesses, look for opportunities, and become aware of threats. These four areas are all important to gaining success.