Situational analysis

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General Motor is one of the leading multinational giants in the global automobile industry based in Detroit, US. Notably, its core business is manufacturing cars and trucks as well as service vehicles with main brands being Opel, Vauxhall, GMC, Buick, GM Daewoo, and Holden. The firm is the largest manufacturer of automobile globally and a leader in quality brands due to security, information services, and safety of their vehicles. It, therefore, enjoys a well-established market niche globally, enabling it to gain a competitive edge in the automobile industry. However, despite being the prime leader in the industry, GM faces stiff competition rapidly growing firms such as Toyota, BMW, Ford, FIAT, Renault, Honda, Nissan, Mitsubishi, and Peugeot Citroen. Thus, the company needs to continuously innovate, leverage its opportunities, and address its challenges in order to sustain its competitive edge in the automobile industry. Besides, there is a need to ensure congruence between the firm's strategies and actual business strategy. As a result, it is integral to conduct a SWOT analysis and situational analysis in order to enhance the firm’s effectiveness and success. This project will, therefore, develop a situational analysis of GM’s marketing plan. Furthermore, the project will explore the firm’s competitiveness.

**SWOT analysis**

SWOT analysis enables GM to establish its market position and embrace an array of strategies accordingly. It allows GM to understand its positioning to enhance its productivity in the automobile industry. The firm’s strength and weakness determine its abilities to address challenges and issues. As such, GM seeks to maximize its strengths benefits. Overcome weaknesses, exploit opportunities, and address threats.

**Strengths**

* GM has a vast market share that is consistently increasing (Marketing Journal, 2018). Its products have penetrated the world automotive market successfully.
* Economies of scale align the firm to intensive growth strategies.
* Strong brands support GM’s competitiveness based on customer loyalty (Calder, Malthouse, & Maslowska, 2016). Besides, a wide range of brands the firm offers makes it a global automobile leader.
* Customer satisfaction due to quality innovative product and incorporation of advanced technology reinforces the company’s growth.

**Weaknesses**

* Bureaucracy in the corporate culture limits flexibility.
* GM’s limited presence in developing nations such as India inhibits the firm’s market growth potential. Moreover, the firm’s unproductive marketing strategy restrict entering new emerging markets. GM should embrace unique and innovative value-based marketing approach to explore new markets.
* Limited GM’s diversification exposes it to market-based risks. The firms only deal with GM Financial and automotive business.

**Opportunities**

* Expanding its global market by leveraging emerging markets in the developing nations. Entering new markets will not only increase its revenue but also enhance its competitiveness globally.
* Reducing bureaucracy to reinforce its organizational competencies.
* Embracing rapid innovation and advanced technologies in computing in their products can foster GM’s competitive advantage.

 **Threats**

* High competitive rivalry in the automotive industry threatens GM’s business performance (Calder, Malthouse, & Maslowska, 2016). Stiff competition from other firms such as Toyota imposes pressure on the company’s market share.
* Ongoing financial crisis due to the global recession threatens GM’s position in the market share as it decreases the firm’s consumers.
* The disruptive potential of new technologies from Google, Apple, and other companies can disrupt GM’s processes.

**Situational analysis**

The organizational structure of GM is an entirely bureaucratic culture. As such, all decisions are made by the top management with little employee participation. This would potentially lead to employee dissatisfaction in the future. Current cultural trends involve the increased demand for electric and self-driving vehicles (Marketing Journal, 2018). This is an opportunity for GM to develop and promote growth through manufacturing electric and self-driving vehicles in the next twelve months. Driverless and electronic vehicles would increase the firm’s sales and enhance their competitive advantage. Consequently, PESTEL analysis reveals that the economic stability of GM’s major markets and new emerging markets are opportunities for GM (Skeel, 2015). Rapidly emerging developing nations such as India market is an opportunity for GM to expand and increase its revenue in the future. However, the firm must deal with stiff competition to ascertain its competitive advantage. Further, based on the Ansoff matrix, diversification by product development and entering new markets would generate higher profits for GM in the next year.

Porters Five Forces reveal that GM experiences intense competition due to the aggressiveness of corporations such as Toyota, Daimler, Ford, and Honda in the automotive industry. Competitive rivalry is a strong significant force in the automotive market (Marketing Journal, 2018). As a result, there is a need to develop comprehensive strategies that would build a sustainable competitive advantage for GM. The strategies need to be congruent with GM’s generic growth strategies such as cost leadership and enhancing competencies. Further, incorporating product differentiation in GM’s superior economies of scale will enhance both differentiation and cost advantage. Notably, PESTEL analysis reveals that GM has an opportunity to diversify its market bases.

Entering new and emerging markets in the developing nations will increase GM’s market base enabling it to realize sustainable competitive advantage. This will enable the firms to brand to dominate the automotive industry building a strong image as well as increasing its profits margins. Leveraging opportunities such as responding to fast changes and embracing advanced technology such as driverless vehicles, hybrid cars, and electronic vehicles would reinforce the firm’s competitiveness. This is based on the fact that the firm will produce superior innovative products that will give it a competitive edge. Additionally, embracing technology that would provide fuel-efficient vehicles at a low cost will foster GM’s cost advantage.

**Conclusion**

To conclude, this project has presented GM’s situational analysis including SWOT analysis and competitiveness strategy. As such, it will act as a foundation of knowledge for an external audit, market segmentation, marketing mix, and Ansoff growth strategy of GM in further research. The data that needs to be collected include the automobile market segmentation, competitiveness strategy of the firms, product differentiation, prevailing competitive rivalry, and strategies for continuous improvement process. This data will be integrated into GM’s intensive and generic growth strategies to enhance its productivity and ascertain sustainable competitive edge in the automobile industry.

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