



Situation analysis I

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Outline

- Situational Analysis
- Importance of Situational Analysis
- Situational Analysis Analytical Methods
- 5Cs analytical Method
- Company
- Collaborators
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- Climate or Context
- References

Situational Analysis

What is a Situational Analysis?

Definition: A situational analysis is the process of examining and understanding the current condition of an organization and its surrounding environment. It helps identify internal strengths and weaknesses, as well as external opportunities and threats.

Purpose: Organizations use situational analysis to understand where they currently stand before making major decisions such as launching a new project, creating a marketing strategy, or developing a business plan.

What does Situational Analysis involve?

A situation analysis involves examining the external environmental factors and internal organizational capabilities that impact how a company operates

Situational Analysis

Why is Situational Analysis Important?

1. It helps an organization **understand its strengths and weaknesses**.
2. It identifies **opportunities for development** and **challenges** that may affect performance.
3. It provides a clear basis for **setting goals and planning improvements**.
4. It enhances **efficiency** by focusing resources on valuable activities and minimizing waste.



Situational Analysis

There are different methods typically used to complete a situational analysis:

- 5Cs Analysis
- SWOT Analysis
- PESTEL Analysis
- Porter five forces Analysis.



5Cs Analysis

The **5Cs Analysis** is a strategic tool used to understand the key factors that affect a company's success. It helps organizations analyze both internal and external environments before making important business decisions.

The 5Cs Include 5 elements

- Company
- Collaborators
- Customers
- Competitors
- Context **or** Climate



5Cs Analysis

1. Company (Internal Factors)

This part examines what is happening inside the company including its strengths, goals, and products that affect marketing and sales performance.

Key Points to Analyze:

Competitive Advantage: What does the company do better or worse than its competitors?

Brand Image: What makes the brand unique or memorable?

Products: What products or services does the company offer? How are they different from others?

Goals: What are the company's short-term and long-term objectives (e.g., 1, 3, and 5 years)?

5Cs Analysis

1. Company (Internal Factors)

Example: Apple Inc.

Competitive Advantage: Innovative design, high-quality products, and a strong global reputation.

Brand Image: Known for creativity, simplicity, and premium quality.

Products: iPhone, iPad, MacBook, Apple Watch, and related services (like iCloud and Apple Music).

Goals: 1-Year: Expand service-based income (e.g., subscriptions).

3-Year: Increase market share in developing countries.

5-Year: Lead in wearable and smart device innovation.

5Cs Analysis

2. Collaborators (Partners and Support Network)

This section looks at all individuals or organizations that help the company create, promote, or sell its products or services.

Key Points to Analyze:

Suppliers: Who provides the raw materials or components?

Distributors: Who delivers or sells the products?

Business Partners: Are there partners, investors, or stakeholders involved?

Service Providers: Are there freelancers, contractors, or other service providers supporting the business?

5Cs Analysis

2. Collaborators (Partners and Support Network)

Example: Apple Inc.

Suppliers: Foxconn (manufacturing), Intel (chips for some devices)

Distributors: Apple Stores, online Apple Store, and third-party retailers like Best Buy

Business Partners: App developers, software partners, and major investors

Service Providers: Marketing agencies, design contractors, and logistics companies

Conclusion: Collaborators help Apple **produce high-quality products, deliver them efficiently, and provide additional services**, which supports its competitive advantage and brand reputation.

5Cs Analysis

3. Customers (Who Buys the Products)

This section focuses on the people who buy a company's products or services and understanding their needs and behavior.

Key Points to Analyze:

- **Target Audience:** Who are the main customers? Is the customer base growing or shrinking?
- **Customer Behavior:** How do customers make purchasing decisions?
- **Customer Motivation:** What drives customers to buy (e.g., price, quality, convenience, or unique features)?
- **Communication Channels:** How does the company communicate with customers?
- **Market Size:** Is the market for the products growing or shrinking?
- **Frequency of Purchase:** How often do customers buy? How important are repeat purchases to the business?

5Cs Analysis

3. Customers (Who Buys the Products)

Example: Apple Inc.

Target Audience: Tech-savvy individuals, professionals, premium buyers, **Example:** Professionals, Students

Customer Behavior: How customers make purchasing decisions, **Example:** Compare, Choose

Customer Motivation: What drives purchases (price, quality, convenience, unique features), **Example:** Quality, Design

Communication Channels: How the company communicates with customers, **Example:** Stores, Online

Market Size: Growth or shrinkage of the market, **Example:** Expanding, Global

Frequency of Purchase: How often customers buy; importance of repeat purchases, **Example:** Repeat, Frequent

5Cs Analysis

4. Competitors (Who You Compete With)

This section focuses on the people who buy a company's products or services and understanding their needs and behavior.

Key Points to Analyze:

- **Competitor Strategies and Tactics:** What methods do competitors use to attract customers? What do they offer that your business doesn't?
- **Competitor Strengths:** What are competitors' main advantages?
- **Competitor Weaknesses:** Where do competitors fall short?
- **Emerging Competition:** Who are the new, upcoming, or established competitors in the market?

5Cs Analysis

4. Competitors (Who You Compete With)

Example: Apple Inc.

Competitor Strategies: Samsung focuses on affordable, feature-rich phones, (**wide choice**)

Competitor Strengths: Samsung has diverse products and global reach, (**large network**)

Competitor Weaknesses: Less focus on design and ecosystem integration, (**less cohesive**)

Emerging Competition: New smartphone brands like OnePlus and established ones like Huawei, (**new & established**)

5Cs Analysis

5. Context / Climate (External Factors)

This section examines external factors outside the company's control that can influence business performance.

Key Points to Analyze:

- **Laws and Regulations:** Are there new or upcoming laws that may affect the business? How will the company respond?
- **Economic Trends:** Are there economic changes (e.g., recession, inflation) that might influence customer behavior?
- **Social and Behavioral Trends:** Are there social changes that affect what and how people buy?

5Cs Analysis

5. Context / Climate (External Factors)

Example: Apple Inc.

- **Laws and Regulations:** Data privacy laws in Europe (privacy rules)
- **Economic Trends:** Global inflation affects device pricing, (pricing impact)
- **Social and Behavioral Trends:** Growing preference for eco-friendly products, (green trend)

- **Assignments for next week**

Ask the following questions (Search and learn)

Perform the Situational Analysis (5Cs) for the following organization and companies below

NO	Categories	Inc.
1	Automotive	BMW
2	Food & Beverage	Coca-Cola
3	Retail & E-commerce	Amazon
4	Social Media & Entertainment:	Netflix
5	Technology & Electronics	Google
6	Sports & Lifestyle	Adidas

NOTE: Please do not use AI

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