

Unit 5

The Marketing Plan

OVERVIEW

Unit five prepares students with the basic fundamentals required to develop an effective marketing plan. The situation or SWOT analysis is an important tool for any organization in determining key characteristics of their business and is integral to the planning process. Students will also learn the importance of creating a solid mission statement and the role finance plays in the development of the marketing plan. Unit five also examines additional components critical to the creation of a successful marketing plan.

OBJECTIVES

1. Understand what the marketing plan is and why it is an important tool for sports and entertainment marketers
2. Identify the key components of the marketing plan
3. Successfully compose a mission statement
4. Explain the purpose of a situation or SWOT analysis
5. Identify the four elements of a situation analysis
6. Recognize the importance of understanding the financials within the marketing plan
7. Determine which information is important to address within the marketing plan

LESSONS

<u>LESSON 5.1</u>	<u>What is a Marketing Plan?</u>
<u>LESSON 5.2</u>	<u>Components of a Marketing Plan?</u>
<u>LESSON 5.3</u>	<u>The Situation Analysis (SWOT)</u>
<u>LESSON 5.4</u>	<u>Financing</u>
<u>LESSON 5.5</u>	<u>Key Information in the Marketing Plan</u>

KEY TERMS

Balance Sheet

Budget

Competition

Direct Competition

Evaluation and Control

Executive Summary

Financial Analysis

Forecast

Implementation

Income Statement

Indirect Competition

Market Research / Strategies

Market Share

Marketing Goals / Objectives

Marketing Plan

Mission Statement

Monopoly

Opportunities

Situation Analysis (SWOT)

Strengths

Substitute Products

Threats

Weaknesses

What is a Marketing Plan?

THE MARKETING PLAN

What Is A Marketing Plan?

A **marketing plan** is a written document that provides direction for the marketing activities for a specific period of time. The plan is a critical planning tool for any business, regardless of industry, as it provides direction for the organization by defining goals and strategies.

Why is a Marketing Plan Important?

- It communicates the goals, objectives, and strategies of a company to its employees
- An essential component to a complete business plan
- Helps organizations obtain financing from outside investors or banks for a new venture

Developing A Marketing Plan

Marketing plans can vary in complexity and time frame. The complexity of the marketing plan is determined by the size and type of the organization and is influenced by the organization's overall goals and objectives. The time period covered by the plan also varies with organization size and type.

For example, a new minor league baseball franchise may only plan for two years given the risk for minor league organizations to be short-lived. By contrast, a major league baseball team may create a five-to-ten-year plan to implement complex and long-term marketing strategies.

Understanding The Market

Before completing the marketing plan, organizations must understand their market. An organization must research and evaluate many factors within a market. These factors could include:

- The product
- The consumer
- The economy
- Target markets
- Existing market distribution channels
- Buying trends
- Competitor performance

Understanding Competition

Competition refers to a rivalry between two or more businesses selling products or services to the same customers or markets. When two or more businesses sell the same goods or services, they are competing for the same consumers. Competition impacts price points, product features and marketing strategies because businesses are fighting for an edge that will persuade consumers to choose their products or services over those of competitors.

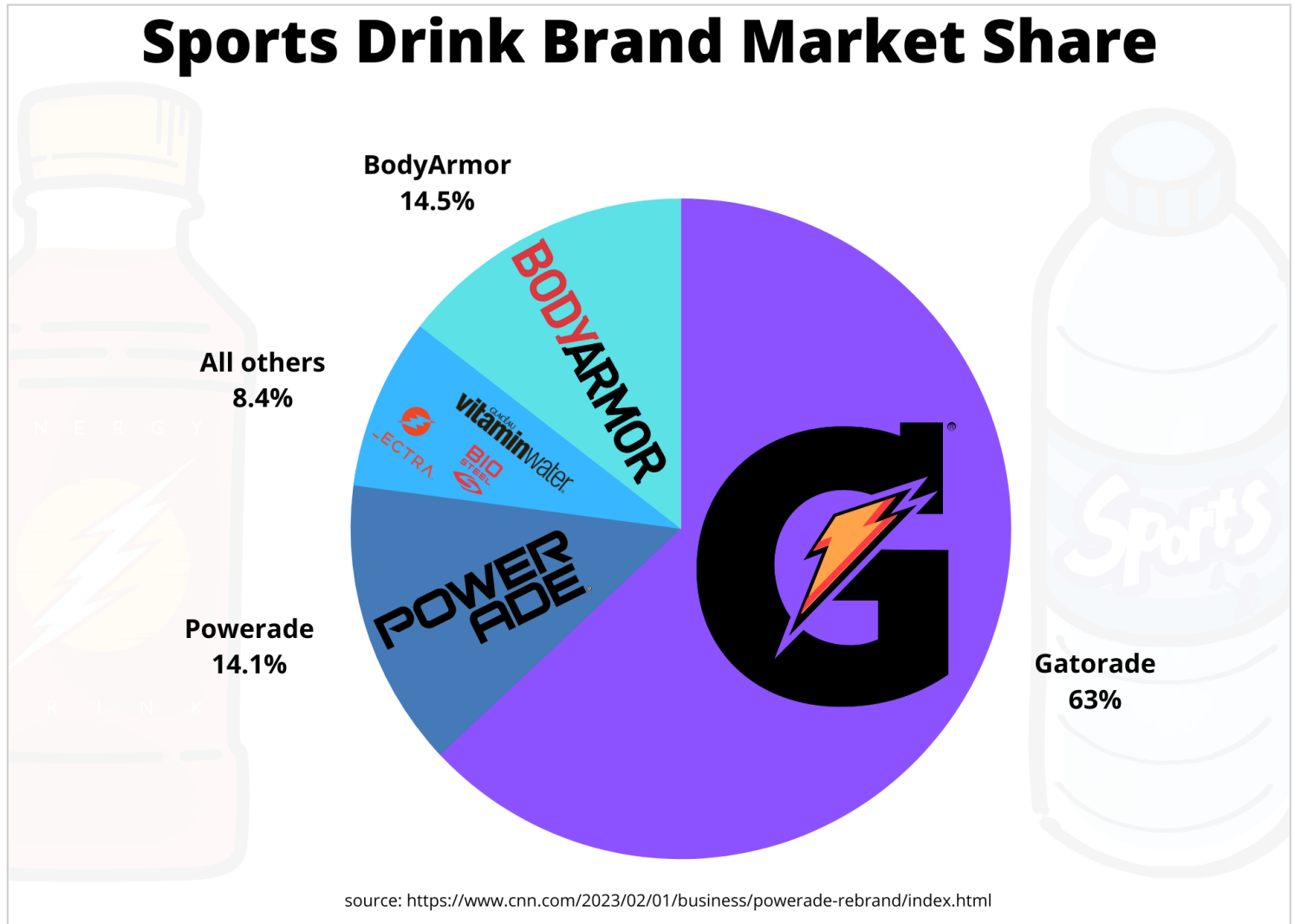
Examples of Competition:

- PS5 (Playstation), Xbox Series X (Microsoft), and Nintendo Switch (Nintendo) compete for consumer dollars in the video game market
- The Dallas Stars, Dallas Cowboys, Dallas Mavericks, Texas Rangers, and FC Dallas compete for consumer dollars in the Dallas-Fort Worth area
- Netflix, Amazon, Hulu, Disney, Apple, YouTube, and others compete for consumer dollars in the streaming video business

How Is Competition Measured?

Market share is a key indicator of how well one company is performing against competitors within the marketplace.

For example, Gatorade dominates market share among brands competing for consumer attention in the sports drink market (a market that is expected to reach \$32.6 billion by 2026).



Sports Drink Brand Market Share

1. Gatorade (63%)
2. BodyArmor (14.5%)
 - In 2014, BodyArmor held just .2% of the market, which increased significantly with effective marketing and promotions to 14.5% this year.
3. Powerade (14.1%)
4. Others (8.4%)

- The brand launched a \$25 million marketing campaign in 2021 using the tagline “more than a sports drink.” According to [thedrum.com](https://www.thedrum.com), the initiative included TV, radio, out-of-home, digital, social, and point-of-sale leveraging the brand’s relationships with athletes who have invested in the company like James Harden, Naomi Osaka, Mookie Betts, Sabrina Ionescu, Baker Mayfield, Trae Young, Christian McCaffrey and Carlos Vela.
 - Click [here](#) to see the “more than a sports drink” advertisement on the brand’s YouTube channel.
 - Click [here](#) to learn more about the brand’s marketing and growth strategies from thedrum.com.
- In 2023, Coca-Cola, the parent company of Powerade and BodyArmor, [introduced new packaging](#) and a new formula for Powerade in hopes of gaining more market share. The new formula featured nearly double the amount of electrolytes and introduced vitamins C and B12. The packaging was used to highlight the differentiation strategy.

TYPES OF COMPETITION

Direct Competition

Direct competition occurs between sellers of similar products and services. Direct competition can come from businesses and brands both domestically (inside the United States) and internationally.

Direct Competition Example:

Li-Ning

- In China, Li Ning, a Chinese footwear and apparel brand, competes directly with Nike, Adidas, Puma, Under Armour, and other Chinese brands, Anta, Peak, and Xtep. The company hopes to position itself as the top footwear and apparel brand in China.
 - As of last year, Nike was still the largest sportswear company in China with a 22.6% percent market share, Anta (another Chinese brand) in second with 20.4%, Adidas in third with 11.2%, and Li Ning in a close fourth at 10.4% (via [Statista](#)).

Indirect Competition

Indirect competition occurs between sellers that compete for the same share of consumers’ discretionary income (competition for the entertainment dollar). It is possible for some products and services to compete directly at times and indirectly at others.

- Georgia Tech athletics, the Atlanta Falcons and NASCAR are all competing for the attention (and dollars) of sports fans in the Atlanta market.

Substitute Products

Substitute products are products (or services) that consumers may choose to use rather than a particular company’s product.

- Watching games in HD on television rather than attending the game in person.

Monopolies

A **monopoly** occurs when there is no competition in the marketplace. It is illegal for companies to attempt to create monopolies and those actions are monitored and regulated by the Federal Trade Commission.

Examples:

- The Federal Trade Commission blocked the merger between daily fantasy contest companies FanDuel and DraftKings with concerns about the effect the merger would have on consumers. The merger would have given DraftKings and FanDuel over 90% of the market.¹
- In 1984, the U.S. Supreme Court ushered in the modern era of escalating media rights fees when it declared the NCAA’s control of football television rights to be an illegal monopoly. Today, schools that 30 years ago received less than \$1 million a year from television can generate \$20 million or more a year in revenue from the sale of television rights.²

¹ <https://www.forbes.com/sites/darrenheitner/2017/06/19/ftc-files-complaints-to-block-fanduel-draftkings-merger/#3f9b396b2adc>

² http://espn.go.com/sports/soccer/story/_/id/7929299/soccer-seattle-sounders-prove-mls-put-fans-seats-espn-magazine



- A lawsuit alleged that EA Sports had "engaged in unlawful and anti-competitive agreements that nearly doubled the price of its popular game, Madden NFL, drove competition out of the market and prevented new competitors from entering." The company settled for \$27 million but only with respect to their NCAA and Arena football licensing agreements, not its Madden franchise.³
- In 2023, the U.S. Justice Department launched an [investigation](#) into the PGA Tour's proposed merger with Saudi-funded LIV Golf, examining the possibility of anticompetitive behavior after LIV Golf had originally accused the PGA Tour's position as an "illegal monopoly."
 - The two rivals' decision to drop lawsuits and merge had some antitrust experts [asking](#) if LIV Golf already sued the PGA Tour for monopolistic concerns, isn't a merger between the two an even bigger monopoly?
- To help alleviate any concerns of a potential monopoly after its acquisition of Activision Blizzard, Microsoft [signed](#) a 10-year deal with Nintendo to bring *Call of Duty* and other popular video games to Nintendo platforms so those titles would not be exclusive to Xbox consoles

³ <http://www.theverge.com/gaming/2012/7/23/3177295/ea-sports-monopoly-lawsuit-settlement>

Components of a Marketing Plan?

COMPONENTS OF AN EFFECTIVE MARKETING PLAN

An effective marketing plan will include the following components:

1. Mission statement
2. Executive summary
3. SWOT analysis
4. Marketing goals and objectives
5. Market research/marketing strategies
6. Implementation plan
7. Evaluation and control

1. Mission Statement

A **mission statement** is a written statement that captures an organization's values and general business philosophy. It offers a brief description of the organization's purpose, answering the question of why the business exists.

Many organizational marketing strategies are founded on the basis of the mission statement content.

An organization's mission statement should address, at a minimum, the following questions:

1. What business are we currently in?
2. Who are our customers?
3. What products and/or services do we offer?
4. How do we currently meet the needs of our customers?

2. Executive Summary

The **executive summary** section of the marketing plan provides an overview of the complete plan and highlights key information within the document.

3. Situation or SWOT Analysis

The **situation analysis** (also referred to as **SWOT**) provides information that is helpful in matching the organization's resources and capabilities to the competitive environment in which it operates.

SWOT analysis reviews four key factors pertaining to the company's current market situation:

- **S**trengths
- **W**eaknesses
- **O**pportunities
- **T**hreats

chicago bulls mission

The Chicago Bulls organization is a sports entertainment company dedicated to winning NBA Championships, growing new basketball fans, and providing superior entertainment, value and service.

We aim to achieve our mission by working hard to emphasize the following core values:

- Mutual respect for each other, and a commitment to excellence, innovation, integrity and quality in everything we do.
- By providing our guests with superior entertainment value in a clean, secure, and comfortable environment—win or lose—regardless of their interest level in basketball.
- By helping our sponsors build their brands and grow their business.
- By treating our respective constituencies with respect, appreciation, and as we ourselves would want to be treated and serviced. In other words, by putting our fans and sponsors first every single day—and meaning it.
- By making our community a better place to live through our support of worthy social causes.
- By involving our guests in the game as active participants—not merely spectators.
- By knowing who and where our fans are, and reaching out to them.
- By working hard to make NBA basketball the most popular sport in our community and by selling and humanizing our players to everyone we meet.
- By being proactive and accountable in carrying out our mission.



4. Marketing Goals And Objectives

The **Marketing Goals and Objectives** section of the marketing plan identifies what the company hopes to achieve with the marketing plan and a timeline for which the plan is to be carried out.

To be effective, objectives should follow the **S.M.A.R.T. criteria**:

- Specific
- Measurable
- Action-oriented
- Realistic
- Time bound

5. Market Research / Marketing Strategies

The **Market Research and Strategies** section of the marketing plan defines a specific marketing approach, creates segmentation and positioning objectives and will communicate marketing objectives with the goal of influencing consumer purchase decisions. This section also includes any relevant market research to help support strategy and implementation decisions.

6. Implementation

Implementation refers to the process of putting the marketing plan into action.

7. Evaluation And Control

Evaluation and Control is the development phase in which determinations are made whether the plan achieved the desired results. The control process is ongoing and allows for adjustments and changes to the plan as needed to attain desired results

Additional components that may also be present within marketing plan:

- **Table of contents:** Most marketing plans will feature a table of contents to help readers quickly and easily access key segments of the plan.
- **Problem identification statement:** Provides direction for the analysis as a whole if an organization hopes to overcome a specific challenge.
- **Communication and/or publicity plan**

The Situation Analysis (SWOT)

WHAT IS A SITUATION ANALYSIS?

The **situation analysis** (also referred to as **SWOT**) provides information that is helpful in matching the organization's resources and capabilities to the competitive environment in which it operates.

This analysis reviews four key factors pertaining to the company's current market situation:

- **S**trengths
- **W**eaknesses
- **O**pportunities
- **T**hreats

This analysis is conducted prior to launching a new initiative or project and is a critical component to the marketing plan.

COMPONENTS OF THE SITUATION ANALYSIS

Strengths

An organization's **strengths** refer to those resources and capabilities that can be used as a basis for developing a competitive advantage.

Strengths include:

- Patents
- Strong sales history
- Established brand
- Effective distribution strategy
- Significant following on social media

Weaknesses

The qualities that give a business a competitive disadvantage would be categorized as **weaknesses** in a situation analysis. The absence of certain strengths may be viewed as a weakness.

Weaknesses include:

- Lack of patent protection
- Weak, unrecognized, or ineffective brand name
- Poor reputation among customers
- Lack of resources
- Inadequate distribution channels

Opportunities

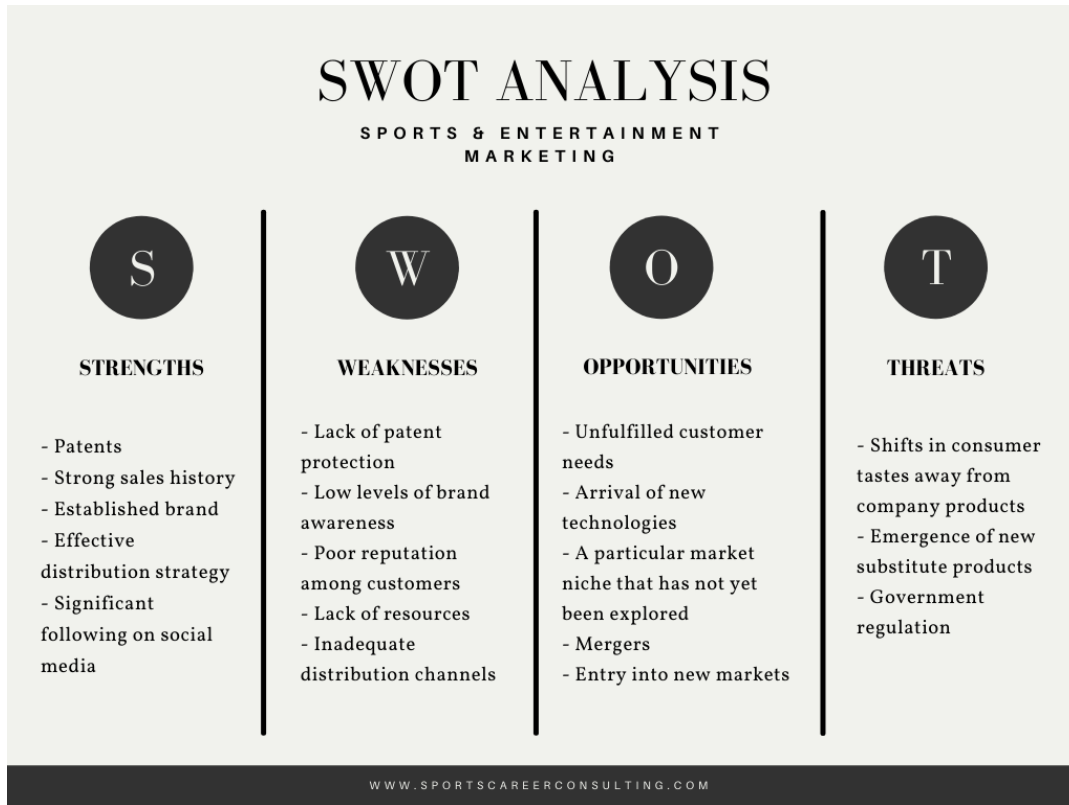
The events that could facilitate company profit and growth are categorized as **opportunities**. Opportunities could include:

- Unfulfilled customer needs
- Arrival of new technologies
- A particular market niche that has not yet been explored
- Mergers
- Entry into new markets

Threats

Events that could have a negative impact on the company are considered **threats**. They could be internal, such as falling productivity, or external, such as lower priced products offered by competitors. Examples of threats could include:

- Shifts in consumer tastes away from company products
- Emergence of new substitute products
- Government regulation



SWOT Analysis Example

Hypothetically, let's say you were conducting a SWOT analysis for an apparel and footwear company competing with companies like Nike, Adidas and Under Armour for market share.

Strengths

Strengths include:

1. Steady and consistent growth in profits.
2. Innovative new technology (lightweight, stretchable fabric) that increases consumer performance.
3. Products tied to effective endorsement campaigns (Serena Williams wears your new technology during matches).

Weaknesses

Weaknesses include:

1. Too much reliance on sales of products online and not enough in retail environments (your products are not available at Dick's or Foot Locker).
2. Low brand awareness (not enough consumers are familiar with your brand).
3. Dependency on sales of apparel products with a track record of limited growth in footwear (75% of total sales come from the apparel category).

Opportunities

Opportunities include:

1. Well defined objectives with company-wide support (everyone in the company understands and supports the goal of increasing footwear sales in the next fiscal year).
2. Positive industry outlook (forecasts call for substantial growth in the footwear and apparel markets for the next three to five years).
3. Positive association with endorsers (Serena Williams' popularity is extremely high and she uses your product and will be featured in an upcoming campaign promoting the brand).

Threats

Threats include:

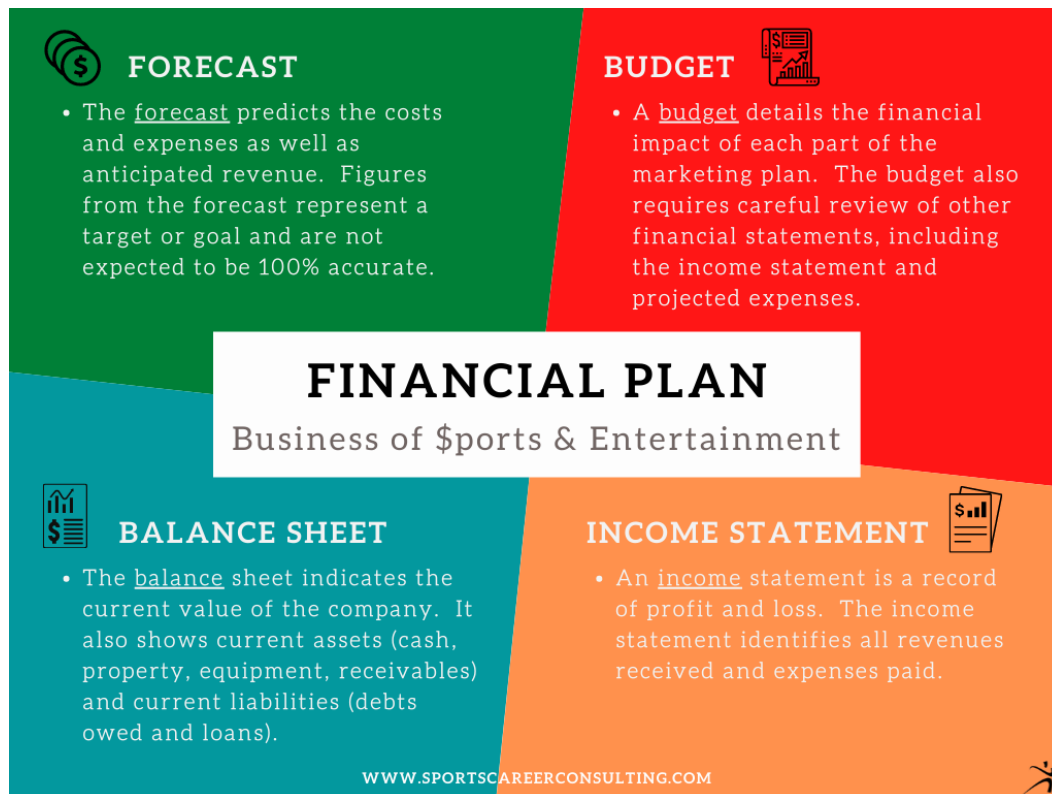
1. Competitors launching new, similar products (Puma is launching a similar lightweight, stretchable fabric apparel line in the upcoming year).
2. Rising raw material prices (the cost of producing products will rise).
3. Poor economic conditions (consumers are spending less).

BUSINESS OF SPORTS AND ENTERTAINMENT FINANCIAL PLAN

Another critical element to an effective marketing plan is the development of a **financial plan**.

The plan should include (at a minimum):

- Forecast
- Budget
- Balance sheet
- Income statement



Forecast

The **forecast** predicts the costs and expenses as well as anticipated revenue. Figures from the forecast represent a target or goal and are not expected to be 100% accurate.

For example, Kansas University's athletics program exceeded its revenue projections for fiscal year 2023, thanks in part from higher fan interest in the Jayhawks' football program.⁴

- In anticipation of increased excitement surrounding the football program, the program raised its projections for its revenue for the 2023-24 season by \$18 million.⁵

⁴ <https://www2.kusports.com/sports/2023/jun/16/buoyed-by-modest-surplus-kansas-athletics-approves-increased-budget-for-fiscal-year-2024/>

⁵ <https://www2.kusports.com/sports/2023/jun/16/buoyed-by-modest-surplus-kansas-athletics-approves-increased-budget-for-fiscal-year-2024/>

Sometimes, organizations can exceed projected revenues. In another example, the Seattle Sounders' original business plan, the goal was to sell 12,000 tickets per game in its inaugural MLS season. However, the team averaged nearly 30,000 in its first year and has maintained that pace every year throughout their existence.⁶

Budget

A **budget** details the financial impact of each part of the marketing plan. The budget also requires careful review of other financial statements, including the income statement and projected expenses. When an organization maintains a balanced budget, it isn't spending more money than they have and they don't need to borrow or go into debt to cover expenses. A balanced budget is particularly important in college sports.

Budgeting Example:

A hypothetical collegiate athletic program budget might look something like this for the upcoming year:

SCC University budget projected revenues:

- Conference revenue share payout: \$44 million
- Ticket revenue: \$21 million
- Booster club membership: \$13 million
- Sponsorships and royalties: \$17 million
- Gifts and donations: \$4 million

Total expense projections for 2023-24 athletic season: \$99 million

SCC University projected expenses:

- Personnel and staffing: \$52 million
- Scholarships: \$13 million
- Facilities: \$12 million
- Uniforms, equipment, supplies: \$8 million
- Event/game services: \$7 million
- Team travel: \$7 million

Total expense projections for 2023-24 athletic season: \$99 million

In this scenario, the athletics department has a balanced budget. In other words, they didn't lose money (a budget "deficit"), but also didn't generate more revenue than they had expenses (a budget "surplus"). Maintaining a balanced budget is important for collegiate athletics programs because it eliminates the need for the program to be subsidized with funds from other areas of the University.

Balance Sheet

The **balance sheet** indicates the current value of the company. It also shows current assets (cash, property, equipment, receivables) and current liabilities (debts owed and loans).

Income Statement

An income statement is a record of profit and loss. The **income statement** identifies all revenues received and expenses paid.

Financing Example:

Let's say your favorite college football team is evaluating their operating budget for the upcoming season. One of the key challenges they will face from a financial perspective is the significant cost of travel for "away" games.

⁶ http://espn.go.com/sports/soccer/story/_/id/7929299/soccer-seattle-sounders-prove-mls-put-fans-seats-espn-magazine

The program's primary budgeted football revenues include:

- Corporate sponsorship
- NCAA revenue distribution
- Ticket sales
- "Guarantee games"

In college sports, a guarantee game is a game where a larger program's team (typically football or men's basketball) will pay a smaller school opponent to come to its campus for a game. Because the larger school believes it should be favored to win, it becomes worthwhile to guarantee money to the smaller school for participating in the game and traveling.

Guarantee Game Examples:

- According to the [Record-Courier](#), Kent State's football program was paid \$5.2 million in guarantees last year after trips to Seattle to play the University of Washington Huskies (\$1.8 million), a visit to Norman, Oklahoma to face the Sooners (\$1.5 million), and traveling to Athens, Georgia to take on the defending national champion Bulldogs (\$1.9 million).⁷
 - In 2023, Kent State pocketed another \$3.6 million in guaranteed game revenue with visits to UCF (\$900,000), Arkansas (\$1.6 million) and Fresno State (\$1.1 million).
- Other notable guarantee games:
 - Colorado State University opened the 2024 season at the University of Texas, receiving a \$1.8 million guaranteed payment for agreeing to play on the road in Austin at Darrell K. Royal-Texas Memorial Stadium, according to a news story from the [Coloradoan](#).
 - Old Dominion reached an agreement with The University of South Carolina to play the Gamecocks at Williams-Brice Stadium in Columbia, South Carolina, in 2024 for a [reported](#) \$1.5 million in guarantees

Evaluation

Ideally, the program will minimize costs in relation to budgeted revenues to avoid losing money or even resulting in a budget surplus. To cut costs, the athletics program might look for ways to minimize travel expenses.

Programs may have some control over the schedule, so each road trip is evaluated on whether it fits the budget, ease of reaching the destination, game times and availability of commercial flights. The program might also look to partners such as Nike and different hotel chains as a means for minimizing expenses through discounts to try to remain within the budget.

⁷ <https://www.record-courier.com/story/sports/college/football/2022/09/02/kent-state-guarantee-games-college-football-washington-oklahoma-georgia/65467066007/>



Key Information in the Marketing Plan

COMPONENTS OF A MARKETING PLAN

In addition to a SWOT analysis, companies must thoroughly detail and expand upon each of the primary components of the marketing plan.

1. Product planning

- What event, product, or service will be marketed?

2. Marketing-information management

- Who are the company's competitors?
- Who are potential customers?
- What characteristics define the target market?
- What motivates consumers to buy?
- How do we insure repeat purchases?

3. Distribution strategy

- How will the company's product get to the consumer?

4. Pricing

- How much does the product cost the company to produce?
- What is the optimal price for the product?
- What is the estimated demand?

5. Promotional strategies

- How will the company integrate an effective promotional mix into the plan?
- What forms of advertising will they use?
- Will those decisions be cost-effective?

6. Financing

- What is the projected overall revenue?
- What costs are involved?
- What economic conditions will influence marketing efforts?
- What other factors should be integrated within the budget?
- What is the time frame that should be considered?

7. Risk management

- What legal liability could the company face?
- What laws could affect marketing strategies?

8. Sales

- What sales strategy will be employed?

9. Execution strategy

- How will the plan be carried out in a manner that will allow for the organization to accomplish its goals and objectives?
- An excerpt from the Vancouver Organizing Committee for the 2010 Olympic Games implementation strategy:⁸
 - Create awareness and excitement, across Canada, of the Olympic and Paralympic movements and the 2010 Games
 - Make the Games relevant to the entire country fostering the spirit of Canada's Games
 - Generate interest and excitement in the corporate community
 - Target companies and industries that are profitable and can afford the required investment levels
 - Create opportunities for sponsors to activate their sponsorships and maximize their return on investment throughout the entire term of the sponsorship agreements
 - Create a positive image and build a solid reputation of fiscal responsibility

10. The future

- Where is the business going?
- What is the future for company competitors?

Marketing Plan Components Example: Gatorade

1. Product planning

- Before Gatorade makes the decision to introduce any new products to the market, they must first develop a marketing strategy to help maximize beverage sales
- They must also consider how to market existing products

2. Marketing-information management

- Gatorade must evaluate each of their competitors (Powerade, BodyArmor etc.)
- Identify the target consumers
- Understand how those make purchase decisions

3. Distribution strategy

- Will Gatorade utilize a mail order strategy through Eastbay? Will they create an online shopping portal to sell online? Provide products at retail stores?
- Which combination of distribution channels best fits their overall sales strategies?

4. Pricing

- What will beverage production costs be? What range of potential price points makes sense for the product(s)? Will any discounting strategies be implemented? What type of demand can be expected for the new sports drink products at each of the price variations?

5. Promotional strategies

- What will Gatorade's promotional campaign include?
- What type of media will be utilized to communicate information about the shoe to consumers? Social media? Advertising? Endorsements?
- What will the budget be? Which promotional mediums will provide the best bang for the buck?

6. Financing

- How much beverage (volume) will Gatorade expect to sell?
- What is the forecast for gross income?
- What costs will Gatorade incur? Manufacturing? Packaging? Distribution? Inventory? Marketing?
- What is the projected net profit?

⁸ <http://www.vancouver2010.com/dl/00/40/16/-/40160/prop=data/10ct75/40160.pdf>

7. Risk management

- Are there potential legal ramifications for Gatorade's planned marketing strategy?
- Does the product pose any physical risk to consumers? Is there a risk of consumers getting sick from drinking the beverages?

8. Sales

- What sales strategy will help Gatorade to maximize the sales volume of the sports drinks? Personal selling? Online sales?

9. Execution strategy

- How will the plan be carried out in a manner that will allow for Gatorade to accomplish its goals and objectives?

10. The future

- What are the short term and long-term goals for Gatorade?
- What does the future hold for companies like BodyArmor and Powerade? Are other beverage companies a potential threat in Gatorade's product category? Why or why not?

UNIT 5: KEY TERMS DEFINED

Balance Sheet: Indicates the current value of the company.

Budget: Details the financial impact of each part of the marketing plan.

Competition: A rivalry between two or more businesses selling products or services to the same customers or markets.

Direct Competition: competition that occurs between sellers of similar products and services.

Evaluation and Control: the development phase in which determinations are made whether the plan achieved the desired results.

Executive Summary: section of the marketing plan that provides an overview of the complete plan and highlights key information within the document.

Financial Analysis: A critical component of an effective marketing plan, includes forecast, budget, balance sheet and income statement.

Forecast: Predicts the costs and expenses as well as anticipated revenue.

Implementation: the process of putting the marketing plan into action.

Income Statement: A record of profit and loss.

Indirect Competition: occurs between sellers that compete for the same share of consumers' discretionary income (competition for the entertainment dollar).

Market Research / Marketing Strategies: section of the marketing plan defines a specific marketing approach, creates segmentation and positioning objectives and will communicate marketing objectives with the goal of influencing consumer purchase decisions.

Market Share: a key indicator of how well one company is performing against competitors within the marketplace.

Marketing Goals / Objectives: section of the marketing plan identifies what the company hopes to achieve with the marketing plan and a timeline for which the plan is to be carried out.

Marketing Plan: A written document that provides direction for the marketing activities for a specific period of time.

Mission Statement: a written statement that captures an organization's purpose, customer orientation and business philosophy.

Monopoly: when there is no competition in the marketplace.

Opportunities: the events that could facilitate company profit and growth.

Situation (SWOT) Analysis: Provides information that is helpful in matching the organization's resources and capabilities to the competitive environment in which it operates.

Strengths: an organization's resources and capabilities that can be used as a basis for developing a competitive advantage.

Substitute Products: products (or services) that consumers may choose to use rather than a particular company's product.

Threats: events that could have a negative impact on the company.

Weaknesses: the qualities that give a business a competitive disadvantage.