

Competitive Marketing Strategy Formulation Using SWOT Analysis and QSPM in an Iranian Manufacturing Company

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Abstract: *The Internal Factors Evaluation (IFE), the External Factors Evaluation (EFE), the Strength, Weakness, Opportunity, and Threat (SWOT), the Internal-External (IE), and the Quantitative Strategic Planning Matrix (QSPM) matrices are business strategy tools that can be used to identify the internal strengths and weaknesses of a company and its external threats and opportunities, then identify its current strategic position and suggest strategies for its future success. This study aimed to formulate a competitive marketing strategy for an Iranian educational equipment production company (EEI Co.). The method used is a descriptive survey in a case study, which uses a qualitative analysis description based on the results of the SWOT matrix and quantitative analysis using matrices of IFE, EFE, IE, and QSPM. The required data is collected from observation, focus group discussion, interview, questionnaire, and literature review. The result of this study is to propose several marketing strategies to the EEI Company to acquire more market share in the products it produces.*

Keywords: *marketing, strategy formulation, SWOT, QSPM, educational entertainment.*

I. Introduction

Educational Equipment Industries Company (EEI Co.) has produced more than 3,000 different types of educational products, including educational equipment, teaching aids, laboratory, workshop, and sports equipment needed by schools, universities, and educational centers, as well as scientific and educational entertainment products, since 1975. Initially, EEI Co. was a government company that only produced based on the needs of schools and educational institutions. 20 years ago, it became a private company and since then it has not only manufactured its previous products but also produced intellectual toys and educational entertainments for other market segments.

With the company's entry into new markets, as well as with rapid changes in the needs of consumer societies, competition has become more intense, and marketing and sales challenges have also increased. Competitive market conditions and an increase in competitive practices of companies and organizations have created the need for developing a marketing strategy. According to Taheri Adel & Saghaei (2017), developing a road map with a focus on marketing in the companies can be a key to opening many doors for executive practices in areas such as marketing and sales, public relations, advertising, and customer affairs.

Marketing is about identifying and meeting human and social needs. One of the shortest good definitions of marketing is “meeting needs profitably” (Kotler & Keller, 2016, p. 27). The aim is to find, attract, keep, and grow the targeted customers by creating and delivering superior customer value (Bili, 2022). Marketing is the main support in a company; therefore, a good marketing function is very much needed to achieve the company's expected goals in intense competition (Dimiyati et al., 2022). Top managers are constantly faced with the problem of how to trade off competing strategic marketing initiatives. For example, should the company increase advertising, invest in a loyalty program, improve service quality, or none of the above? Such high-level decisions need something more than decision makers' own experience and intuition (Rust et al., 2004). Companies should choose the appropriate marketing strategy by considering the goals of the organization and going through the process of planning and calculation. The notion underlying the concept of generic strategies is that competitive advantage is at the heart of any strategy, and achieving competitive advantage requires a firm to make a choice (Porter, 1998, p. 12).

Marketing strategy planning involves more detailed planning for more specific marketing opportunities. The success of a company's marketing effort depends on the management's ability to plan its marketing programs strategically (Hapsari & Setiawan, 2021). Strategy formulation includes assessing the external environment and internal problems to identify strategic issues, then integrating the results into goals and begins with understanding the circumstances, forces, events, and issues that shape the organization's competitive situation, which requires that managers conduct an audit of both internal and external factors that influence the company's ability to compete (Daft, 2016, p. 257-259).

The Strength, Weakness, Opportunity, and Threat (SWOT) analysis is one of many tools that can be used in the strategic planning process (Phadermrod et al., 2016). If used correctly, SWOT can provide a good basis for successful strategy formulation (Chang & Huang, 2006; David et al., 2016). The company must determine the target market and identify the unique advantages of its position. In this study, the SWOT analysis has been used to survey the external and internal environment of a company's marketing. It provides a new perspective on what the company does well, where its challenges lie, and which opportunities to pursue. The main advantage of SWOT analysis is its simplicity which has resulted in its continued use in both leading companies and academic communities (Ghazinoory, et al., 2011; Gürel, 2017).

Strengths are aspects of the business or marketing teams that give it an advantage over others; Weaknesses are aspects or characteristics that place the company at a disadvantage relative to others; Opportunities are external prospects that can improve a company's performance within the context; Threats are external influencing factors in the environment that could cause trouble for the function or project (Bili, 2022). Strengths and Weaknesses are internal (controllable) factors that support and obstruct organizations from achieving their mission respectively. Whereas Opportunities and Threats are the external (uncontrollable) factors that enable and disable organizations from accomplishing their mission. By identifying the factors in these four fields, the organization can recognize its core competencies for decision-making, planning, and building strategies (Phadermrod et al., 2016). Determination of internal strategic factors can be done by comparing and evaluating the past performance of the company, key competitors of the company, and the industry. External forces influence the type of products, the characteristics of the market segmentation and positioning strategy, the type of services offered, and the business choices that they want to acquire or sell (Zulkarnain et al., 2018).

Most of the decisions of managers are affected by qualitative and quantitative factors that are at odds with each other and managers try to select the best option among the several options (Abdolmaleki and Aghaei, 2015). Although SWOT analysis can generate feasible alternative strategies, it is not useful for determining the relative importance of each internal and external factor for being successful in a given industry, nor is it useful for or capable of determining the relative attractiveness of the alternative strategies generated. The QSPM fulfills both of these needs and thus can be vital for efficient and effective marketing strategy decision-making (David et al., 2016). QSPM Evaluates alternative strategies based on external and internal strategic factors that have been identified previously. An important component of QSPM is the Total Attractiveness Score (TAS) obtained for each of the feasible alternative strategies. The strategy that has the highest TAS is the alternative solution for organizations (Zulkarnain et al., 2018). Although other tools work well in assisting marketing managers in generating possible strategies for implementation, such as perceptual mapping, portfolio analysis, brainstorming, product/market expansion grids, and the Boston Consulting Group matrix, these tools do not guide the relative attractiveness of various alternative marketing strategies (David et al., 2016).

According to Porter (1998, p. 1) competitive strategy is the search for a favorable competitive position in an industry, the fundamental arena in which competition occurs. The competitive strategy aims to establish a profitable and sustainable position against the forces that determine industry competition. The business-level strategy of EEI Co. is market penetration and product development to gain more market share. Based on this, the purposes of this research are: 1) identifying internal and external factors that influence the marketing performance of EEI Co., 2) formulating alternative marketing strategies for EEI Co., and 3) determining the priority of EEI Co.'s competitive marketing strategy.

II. Literature review

Some researchers have considered the marketing strategy decision-making problem as a Multi-Criteria Decision-Making (MCDM) problem to determine the most appropriate marketing strategy to obtain a competitive advantage. The underlying principle of MCDM is that decisions should be made based on multiple criteria. In this way, they have used Analytic Network Process (ANP) or Analytic Hierarchy Process (AHP) techniques to determine the weight of criteria and Technique for Order Preference by Similarity to an Ideal Solution (TOPSIS) to rank strategies. Wu et al. (2010) have used the ANP-TOPSIS technique to determine the appropriate marketing strategy in private hotels in Taiwan. Abdolmaleki and Aghaei (2015) have also used the same technique to determine the best marketing strategy for Emdad Khodro Company of Iran. On the other

hand, Yousefi (2016) has proposed the AHP-TOPSIS method for determining the appropriate marketing strategy.

Taheri Adel & Saghaei (2017) have identified and rated the best marketing strategies in manufacturing and industrial companies to facilitate decision-making. They have recognized seven factors including strengths, weaknesses, opportunities, threats, focus on products, differentiation, and cost leadership by reviewing the literature and examining the expert opinions, and then used the Fuzzy AHP method to the prioritization.

Fazeli & Taherikia (2016) have proposed the SWOT method for evaluating, classifying, and selecting marketing strategies to enter international markets in Takhte Jamshid petrochemical company. They have used the internal and external factors evaluation (IFE and EFE) matrices using Expert Choice software to analyze the data to measure the effectiveness of each factor. Also, by using the AHP technique, they have identified the most important strengths, weaknesses, opportunities, and threats of the company in line with entering into the international market. Their study showed acceptable strategies position of Takhte Jamshid Petrochemical Company is offensive strategies due to the placement in the first quarter of the internal and external matrix.

According to David & David (2014, p. 258), the strategy-formulation techniques can be integrated into a three-stage decision-making framework; Stage 1, called the input stage, summarizes the basic input information needed to formulate strategies; Suggested tools for this stage are Internal Factor Evaluation (IFE) matrix, External Factor Evaluation (EFE) matrix, and Competitive Profile Matrix (CPM). Stage 2, called the matching stage, focuses on generating feasible alternative strategies by aligning key external and internal factors; Suggested tools for this stage are the SWOT matrix, Strategic Position, and Action Evaluation (SPACE) matrix, Boston Consulting Group (BCG) matrix, Internal-External (IE) matrix, and Grand Strategy Matrix. Stage 3, called the decision stage, uses input information from Stage 1 to objectively evaluate feasible alternative strategies identified in Stage 2 and thus provides an objective basis for selecting specific strategies; this stage is done using the Quantitative Strategic Planning Matrix (QSPM) tool.

SWOT is a strategic planning exercise and since the main application of strategic planning has been in marketing, there are lots of studies about using SWOT analysis in this field (Ghazinoory, et al., 2011). Table 1, shows a summary of the research in which the feasible strategies for marketing have been extracted and prioritized using David's three-stage technique. In recent years, the described technique has been widely used in marketing management.

Table 1. Studies on marketing strategy formulation using David's three-stage decision-making technique

Study	Business Market	Used Analysis		
		The Input Stage	The Matching Stage	The Decision Stage
Walukow & Pangemanan (2015)	Handicrafts Ceramic Industry	IFE & EFE	SWOT & SPACE	QSPM
Dzul kifli (2015)	Japanese Restaurants	IFE & EFE	SWOT	QSPM
Wahyuningtias et al. (2016)	Primagama Institute for Tutoring	IFE & EFE	SWOT & SPACE	QSPM
Pangemanan & Walukow (2018)	furniture home Industry	IFE & EFE	SWOT & SPACE	QSPM
Zulkarnain et al. (2018)	Dante's Deli Bakery, a provider of pastry products	IFE & EFE	SWOT	QSPM
Dzulkarnain et al. (2019)	A producer of processed apple products	IFE & EFE	IE matrix & SWOT	QSPM
Irwan et al. (2019)	Furniture production industry	IFE & EFE	IE matrix & SWOT	QSPM
Maddinsyah et al. (2020)	Online market segment of hotel	IFE & EFE	IE matrix & SWOT	QSPM
Putri & Ismoyowati (2020)	Black rice	IFE & EFE	IE matrix & SWOT	QSPM
Saing et al. (2020)	Karawang distributors of Hijab Alila, a Muslim fashion brand	IFE & EFE	BCG matrix, IE matrix & SWOT	QSPM
Wulandari et al. (2020)	Ballroom sales	IFE & EFE	IE matrix & SWOT	QSPM

Simbolon et al. (2021)	Palm brown sugar agribusiness	IFE & EFE	SWOT	QSPM
Sugianto et al. (2021)	CV Rama Shinta, producer of salts for beauty and health	IFE & EFE	IE matrix & SWOT	QSPM
Hapsari & Setiawan (2021)	Soerya Bakery Tulungagung, a bakery	IFE & EFE	IE matrix & SWOT	QSPM
Abdullah et al. (2022)	UD. Bali Sari Wangi, producer of goat's milk beauty soap	IFE & EFE	IE matrix & SWOT	QSPM
Ghafari Nurfathoni et al. (2022)	Mamaberry Chips Gourmet, a producer of healthy snack food	IFE & EFE	IE matrix & SWOT	QSPM
Adriansyah et al. (2022)	DW Ice Cream, provider of soft ice cream	IFE & EFE	AHP & SWOT	QSPM
Jamdia (2022)	Sarah's Furniture Trade Company, a manufacturer of industrial furniture	IFE & EFE	IE matrix & SWOT	QSPM
Dimiyati et al. (2022)	Dex Media Kreasi, printing company	IFE & EFE	IE matrix & SWOT	QSPM
Bili (2022)	ARSA Cellular, the mobile phones and accessories shop	IFE & EFE	SWOT	QSPM

III. Method

In this study, based on David's three-stage decision-making technique (David and David, 2014, p. 258), the method shown in Figure 1 has been used to determine marketing strategies and identify their priorities. The input stage comprises the IFE and EFE tools. In the matching stage, using SWOT and IE matrices, the internal and external factors have been combined and focused on efforts to produce alternative strategies. The decision stage uses QSPM to select the most prioritized strategies.

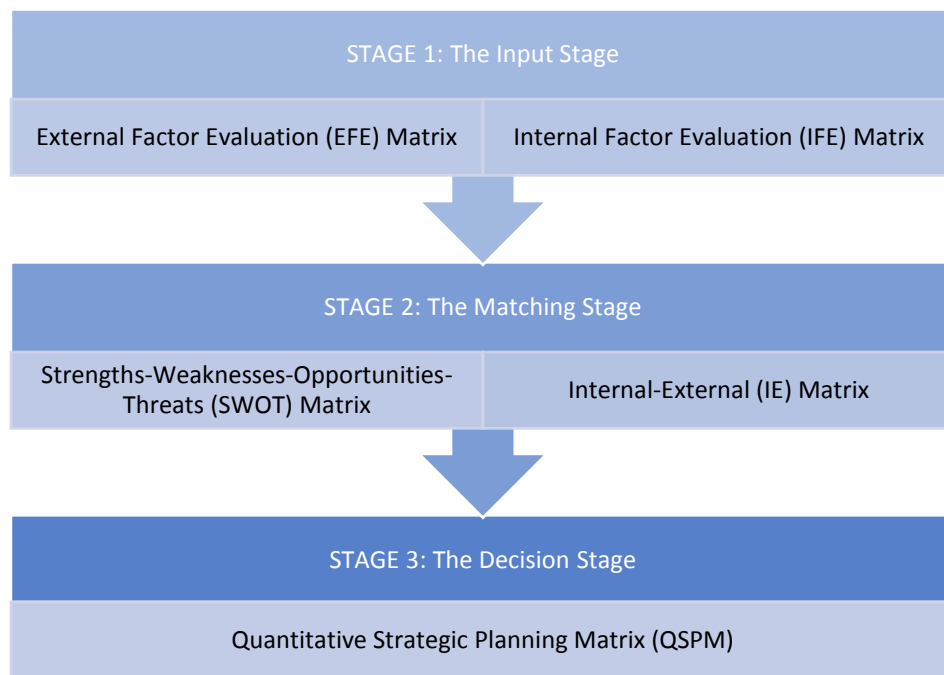


Figure 1. The marketing strategy formulation framework of this research based on David & David (2014)

The selection of a marketing strategy must consider the effective internal and external factors of an organization. Thus, the first stage of this research is observation and collected data. This research uses primary and secondary data. Primary data is obtained through field surveys, interviews, and using a questionnaire. Then summarizes all the information results from primary data observations, interviews, and questionnaires which will produce key internal environmental factors in the form of strengths-weaknesses, and key external environmental factors in the form of opportunities-threats. Secondary data is obtained from various sources: companies, related institutions, the internet, and other literature studies related to this research. In the following, the necessary steps

to implement the three-stage technique are described.

The Input Stage

This stage includes these steps:

- 1) Identifying the focus group and elites; the focus group of this research consists of 10 industry elites and company senior managers.
- 2) Determining the type and time of meetings and interviews;
- 3) Holding meetings and interviews with members of the focus group to collect and identify the factors of the internal environment by gathering and merging information about the company's marketing management: planning, organizing, leading, and controlling (Daft, 2016, p. 8), marketing 7Ps: product, price, place, promotion, participants, processes, and physical evidence (Rafiq & Ahmed, 1995), marketing budget, R&D, and marketing information system; Also, to collect and identify the factors of the public environment by using the PESTEL model: Political, Economic, Sociocultural, Technological, Ecological, and Legal (Wheelen & Hunger, 2011, p. 101), and the operating environment by using Porter's five forces of competitive position model: threat of new entrants, threat of substitutes, bargaining power of customers, bargaining power of suppliers, and competitive rivalry (Daft, 2016, p. 265);
- 4) Listing the IFE and EFE factors;
- 5) Questionnaire design;
- 6) Determining the weight that ranges from 0.0 (not important) to 1.0 (all-important) to each factor by submitting a questionnaire designed in the previous step to the statistical population in question, including 26 senior managers of the company and other stakeholders related to the company's marketing; the sum of all weights must equal 1.0 for IFE or EFE.
- 7) Rating each factor from -2 to +2 based on the company's response to that factor by surveying in focus group meetings, where +2 means a major strength or opportunity, +1 minor strength or opportunity, -1 minor threat or weakness, and -2 major threat or weakness. Ratings are company-based, whereas the weights in step 6 are industry-based (David & David, 2014, p. 216-217). The +1 to +4 ratings have not been used (as mentioned in David & David, 2014), because that rating method does not provide sufficient accuracy and correctness in calculating the total weighted score.
- 8) Multiplying each factor's weight by its rating to determine a weighted score for each variable;
- 9) Adding up the weighted scores for each variable to determine the total weighted score for the organization.

The Matching Stage

This stage focuses on creating reasonable and logical strategies. This stage aims to create viable strategic alternatives by matching key external and internal factors. At this stage, the strengths-weaknesses, as well as the Opportunities-Threats factors are checked and matched by using the SWOT matrix to develop four types of strategies: SO (Strength-Opportunity) Strategies, WO (Weaknesses-Opportunity) Strategies, ST (Strength-Threat) Strategies, and WT (Weakness-Threat) Strategies.

The Internal-External (IE) Matrix is another important Stage 2 matching tool that positions an organization's various divisions in a nine-cell display. The IE Matrix is based on two key dimensions: the IFE total weighted scores on the x-axis and the EFE total weighted scores on the y-axis (David & David, 2014, p. 272). Based on the position of an organization or a division in which of the cells, different strategies are prescribed for it. The guidelines of the IE matrix help in creating viable strategic alternatives using the SWOT matrix.

The Decision Stage

The results of matching internal-external factors of the SWOT matrix will be used to determine the best strategy. According to David and David (2014, p. 256), this stage involves a single technique, the Quantitative Strategic Planning Matrix (QSPM). A QSPM uses input information from Stage 1 to objectively evaluate feasible alternative strategies identified in Stage 2. A QSPM reveals the relative attractiveness of alternative strategies and thus provides an objective basis for selecting specific strategies.

There are 6 steps required to develop a QSPM (David & David, 2014, p. 276):

- 1) Make a list of the company's key external opportunities and threats and internal strengths and weaknesses in the left column of the QSPM. This information should be taken directly from the EFE Matrix and IFE Matrix.

- 2) Assigning weights to each key external and internal factor. These weights are identical to those in the EFE Matrix and the IFE Matrix.
- 3) List the alternative strategies developed in the matching stage at the top of the columns of the QSPM.
- 4) Determining the Attractiveness Scores (AS) are defined as numerical values that indicate the relative attractiveness of each strategy in a given set of alternatives.
- 5) Computing the Total Attractiveness Scores. Total Attractiveness Scores (TAS) are defined as the product of multiplying the weights (Step 2) by the AS (Step 4) in each row. The TAS indicates the relative attractiveness of each alternative strategy, considering the impact of the external and internal critical success factors.
- 6) Calculating STAS by adding up all TASs for each alternative strategy and writing it in the last column. The Sum Total Attractiveness Scores (STAS) reveal which strategy is most attractive in each set of alternatives.

Reliability and Validity

The content validity of the questionnaire has been confirmed by sending it to 3 university professors and marketing elites. Cronbach's test was used to verify the reliability of the research data collection tool and the result was $\alpha = 0.979$, and since $\alpha \geq 0.9$, the internal consistency of the items is excellent and the reliability of the questionnaire is also confirmed.

IV. Results and Discussion

By implementing the method described in the previous section, 18 internal factors, including 8 strengths and 10 threats, as well as 17 external factors, including 8 opportunities and 9 threats, were identified, as shown in Tables 2 and 3. The weight of each factor is obtained based on the response of our statistical population to the questionnaire and the rate of each factor is obtained based on the survey in the focus group.

Table 2. Internal Factor Evaluation (IFE) Matrix

No.	Internal Factors	Weight	Rate	Score
S1	There are inexpensive production facilities in the company.	0.046	+1	+0.046
S2	The variety of educational entertainment products of EEI Co. is high.	0.050	+2	+0.100
S3	The company has a lot of experience in advertising.	0.052	+1	+0.052
S4	There is a young, experienced, and motivated marketing team.	0.056	+1	+0.056
S5	The name and brand of the EEI Co. are known in schools.	0.051	+1	+0.051
S6	There are necessary facilities and knowledge to design a new product.	0.058	+2	+0.116
S7	There is information on previous customers.	0.052	+2	+0.104
S8	The company has a long history and a lot of knowledge in the field of toy production.	0.054	+1	+0.054
W1	Educational entertainment products of EEI Co. do not have a competitive quality.	0.060	-1	-0.060
W2	Educational entertainment products EEI Co. do not have an attractive logo.	0.057	-2	-0.113
W3	Proper planning for production based on market demand is not done.	0.063	-2	-0.125
W4	Products are not refined to enter the B2C market.	0.061	-1	-0.061
W5	There is no formal structure and process for B2C marketing and advertising.	0.061	-1	-0.061
W6	There is no effective procedure for pricing edutainment products.	0.061	-1	-0.061
W7	The organizational position and work process of R&D is not correct.	0.060	-2	-0.119
W8	The company does not have dedicated distribution channels for B2C products.	0.049	-2	-0.097
W9	The online shop does not have proper design and support.	0.058	-2	-0.116
W10	Effective communication with customers in formats such as customer clubs is weak.	0.054	-2	-0.109
Total		1.00		-0.344

The results from Table 2 show that S6, S7, and S2 are the important strengths of the EEI Co. (i.e., Critical Success Factors or CSFs), respectively. Due to its long history in the production of toys, the company has the facilities to design and manufacture new products following the needs of the market. Also, during these years, it has collected a useful database from its customers and has been able to achieve a diverse portfolio of educational entertainment products. Furthermore, by analysis of strengths in Table 2, it can be concluded that due to: the experience curve, efficient labor in production, product design, and production innovations, the EEI Co. has a “Cost Competitive Advantage” to some extent (Lamb, 2017, p. 22).

On the other hand, the critical weaknesses of the EEI Co. are W3, W7, and W9 respectively. Unfortunately, the company's products are produced without prior planning and sometimes they are stored in the warehouse for a long time due to lack of customer orders. Also, the R&D department of the company designs the new products independently from the sales department or the CRM department, and therefore sometimes there is a possibility that products will be designed that do not match the needs or desires of the customers. The company's online shop, which has been designed and has been in use for many years, does not have an attractive graphic design and sometimes faces technical problems and is out of reach of customers.

Table 3. External Factor Evaluation (EFE) Matrix

No.	External Factors	Weight	Rate	Score
O1	The ratio of imports to domestic production in the toy industry has decreased.	0.059	+2	+0.119
O2	The population of potential buyers and final consumers of the product are at demographic peaks.	0.058	+2	+0.115
O3	The rising trend of penetration rate of the internet and smartphones as well as the use of social networks is increasing.	0.061	+2	+0.123
O4	People's attitude is changing toward buying intellectual and smart toys.	0.063	+2	+0.126
O5	To obtain an operation license, export, and participate in exhibitions, the relevant standards and the license of the Toy Supervision Council are required.	0.054	+2	+0.108
O6	The attitude of buyers, especially organizations, is changing towards standard and high-quality products.	0.056	+1	+0.056
O7	The smart (electronic) toy does not have a domestic manufacturer.	0.049	+1	+0.049
O8	There is an estimated \$14 million domestic and \$8.5 million export potential annual market for intellectual toys.	0.060	+1	+0.060
T1	Socio-political conditions and imposed restrictions have reduced shopping, especially online.	0.062	-2	-0.125
T2	The decrease in people's purchasing power has reduced their willingness to buy unnecessary goods.	0.067	-2	-0.133
T3	The entry of companies into online sales has grown by 35%.	0.064	-1	-0.064
T4	Intellectual property law does not apply in the toy industry.	0.062	-1	-0.062
T5	In recent years, the number of manufacturers of intellectual toys has grown rapidly.	0.063	-2	-0.125
T6	The capital required to enter the intellectual toy production industry is very low.	0.053	-1	-0.053
T7	The cost of intellectual toys is highly dependent on the approved prices for raw materials and wages.	0.062	-1	-0.062
T8	There are few toy distribution companies.	0.050	-1	-0.050
T9	There are 13 main competitors on the market, all licensed by the Toy Regulatory Council.	0.057	-1	-0.057
Total		1.00		+0.024

The results from Table 3 show that O4, O3, and O1 are, respectively, the most important opportunities that the EEI Co. has in the external environment. In recent years, people's attitude towards buying intellectual and smart toys has changed, and this can be understood from the increase in the number and variety of production of these types of toys. The penetration rate of the internet and smartphones as well as the use of social networks is also

increasing and this issue represents a golden opportunity for advertising and online sales and avoiding the development of physical stores with large investments and limited customer access. On the other hand, in recent years, the ratio of imports to domestic production in the toy industry has decreased and has provided more opportunities for domestic manufacturers.

Also, the critical threats of the EEI Co. from the external environment are T2, T1, and T5 respectively. In recent years, the inflation rate in Iran has been high and according to the Central Bank of the Islamic Republic of Iran, it was more than 40% in 2021 and 2022. This issue has caused people's purchasing power to decrease and they don't want to buy unnecessary goods. Restrictions imposed on some messaging applications as well as the slowing down of internet speed have disrupted internet sales in Iran. The increase in the number of manufacturers in the toy industry has also become an important threat factor.

The company's strategic position is determined by referring to the results of the IFE and EFE matrix analysis. This position can be represented in the 9-cell IE matrix. It is used to make the right strategic alternatives to be taken by the company. Based on the obtained results, the IE matrix diagram is as follows:

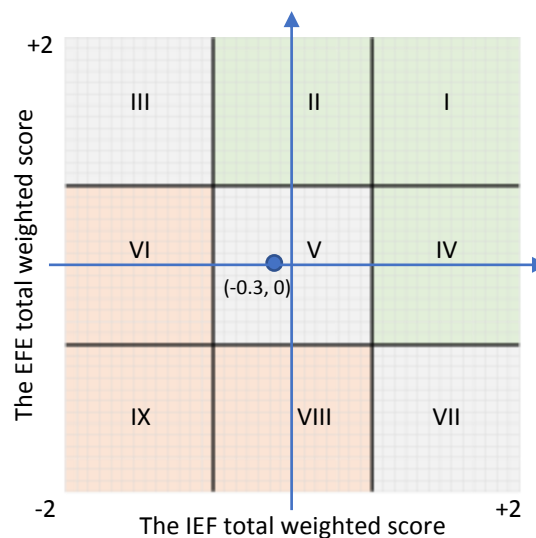


Figure 2. IE matrix diagram

Based on Figure 2, the marketing department of EEI Co. is located in cell V of the IE matrix, and therefore it can be managed best by hold and maintain strategies (David & David, 2014, p. 272); Market penetration and product development are two commonly employed strategies for these types of divisions. This point of view regarding the types of appropriate strategies will be used in creating alternative strategies.

Seven alternative strategies have been obtained from the one-to-one and many-to-many IFE and EFE factors, which are shown in Table 4. One strategy for the S-T quadrant, two strategies for the S-O quadrant, one strategy for half W (including two quadrants W-T and W-S), and three strategies based on the entire matrix (all four quadrants) were extracted. Factors contributing to each strategy (whether strength, weakness, opportunity, or threat) are written below and in parentheses.

Table 4. Proposed strategies using SWOT analysis

	Threats	Opportunities
Strengths	1) Using the facilities and knowledge inside the company to reduce the cost of products (S1, S8, T2, T4, T7, T9);	2) Designing and manufacturing new products based on market needs (S1, S4, S6, S8, O1, O2, O4, O6, O8); 3) Establishing a network of sales representatives in the target countries in order to develop exports (S1, S2, S4, O5, O8).
Weaknesses	4) Monitoring the market, determining the target audience, and developing and implementing the marketing mix (S3, S4, S7, W2, W4, W5, W6, W10, O2, O3, O4, O6, O8, T1, T2, T8); 5) Improving the company's website and focusing on online advertising and sales (S3, S4, W9, O3, T3); 6) Implementing an optimal solution to send products directly to the buyer from the warehouse (S4, W8, O3, T3). 7) Redefining organizational structure and processes (W3, W5, W7, O8, T3, T7);	

The seven proposed strategies obtained by the analysis of the SWOT matrix were scored and ranked using the QSPM method. The weights of factors, as described in the 6-step QSPM development process, are the same as the weights in the IFE and EFE matrices. The attractiveness score of each factor is determined during a survey in a focus group meeting and based on how well a proposed strategy fulfills it. The results of calculations and ranking are shown in Table 5.

Table 5. Proposed alternative strategies prioritized by the QSPM method

No.	Strategies	TAS
1	Monitoring the market, determining the target audience, and developing and implementing the marketing mix	4.051
2	Designing and manufacturing new products based on market needs	3.368
3	Improving the company's website and focusing on online advertising and sales	2.867
4	Redefining organizational structure and processes	2.867
5	Using the facilities and knowledge inside the company to reduce the cost of products	2.776
6	Establishing a network of sales representatives in the target countries to develop exports	2.731
7	Implementing an optimal solution to send products directly to the buyer from the warehouse	2.549

Based on the QSPM, the main priority strategy, with a significant score difference compared to other strategies, is developing and implementing the market mix based on monitoring the market. If this strategy is implemented correctly, the company will not repeat the mistakes of the past in the field of aimless implementation of the marketing mix. The implementation of this strategy not only requires improving the marketing processes in the company but also needs efficient employees in the marketing department.

The next alternative strategy is designing and manufacturing new products based on market needs; finding market needs is another result of market monitoring. So, both priority strategies need to monitor the market first. If the design of new products in the company is done based on the market needs assessment, then the products will not be stored as before without having a customer.

The next 5 strategies, which of course have a slight score difference, deal with Internet sales, organizational structure, product cost, export, and distribution, respectively.

V. Conclusion

David's three-stage method is one of the efficient methods for strategy formulation both at the company level and at the functional level. This process starts by assessing the internal and external environment of the intended organization and continues by extracting alternative strategies based on various analyses. This process ends with the prioritization of proposed strategies. This research has tried to find out the best strategies for the marketing department of an intellectual toy manufacturing company in Iran. Assessing the company's internal and external environment through focus group meetings showed us the Achilles heel of the company as well as its important capabilities. The company has important weaknesses related to product quality, logo, and production planning, but on the other hand, it has high production capacity and experienced and efficient employees. The assessments also showed that even though the purchasing power of the people in Iran has decreased and the number of competitors in the toy industry has increased, the potential customers of intellectual toys are at the peak of the population, and their increasing use of the Internet for shopping can provide an important opportunity for the company's sales growth.

The results of the assessment and analysis using IFE, EFE, IE, SWOT, and QSPM matrices show that market penetration and product development strategies should be used for the marketing department of EEI Co.; Based on this, in order of priority, market monitoring, and marketing mix extraction, new product development based on market needs, and company sales expansion through increasing online advertising and improving the company's online shop were suggested.

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