

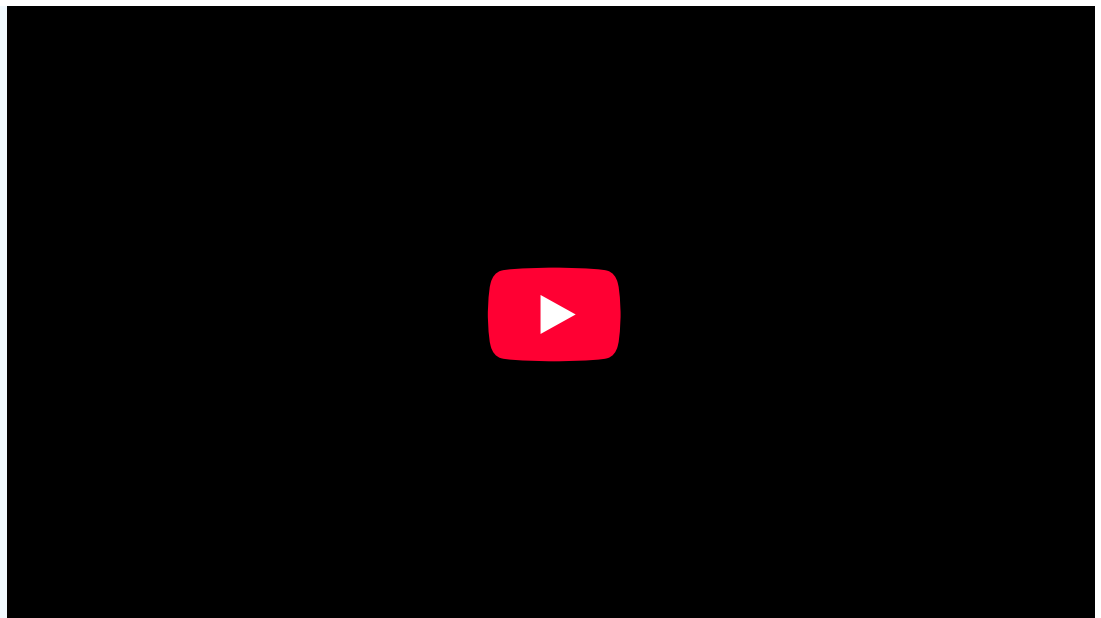
7.2: Introduction

Learning Objectives

After reading this chapter, you should be able to answer these questions:

- What is strategic analysis, and why do firms need to analyze their competitive environment?
- What is a SWOT analysis, and what can it reveal about a firm?
- What makes up a firm's external macro environment, and what tools do strategists use to understand it?
- What makes up a firm's external micro environment, and what tools do strategists use to understand it?
- How and why do managers conduct an internal analysis of their firms?
- What does it mean to compete with other firms in a business environment, what does it mean when a firm has a competitive advantage over its rivals, and what generic strategies can a firm implement to gain advantage over its rivals?
- What elements go into determining a firm's strategic position?

Case Study: Amazon and Wal Mart



to do the T Analysis Better

Part 1

Telling a Story with SWOT

Competition:
Walmart Launches "Walmart Grocery Delivery"

Walmart's grocery delivery service is a new \$100-per-month subscription that allows customers to order groceries online and have them delivered to their homes. This service is a direct challenge to Amazon's Prime Now grocery delivery service, which is also available in the same markets.

SWOT in story format

Amazon's Prime Now grocery delivery service is a new \$100-per-month subscription that allows customers to order groceries online and have them delivered to their homes. This service is a direct challenge to Walmart's Walmart Grocery Delivery service, which is also available in the same markets.

Annual Growth Rates & Revenue

Company	Annual Growth Rate	Revenue
Amazon	~20%	~\$100B
Walmart	~10%	~\$200B

amazon & Walmart

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