4.2. The Market

The Mauritian market environment has undergone a number of changes in the recent years with Mass retailers and hypermarkets continually exposing their consumers to an ever-expanding and ever-changing choice of products (Maurice Publicité Ogilvy 2011). At the same time, the internet and new media have created product knowledge and increased product awareness. Customers have also increased their demand for innovative offers without compromising on quality even in this time of impeding economic breakdown due to the global financial crisis. Most of the clients include large corporates and medium and small businesses that consume either print, outdoor, corporates or brand identities, packaging, TV, radio or other advertising products of this firm.

Due to the increased demand by customers, most businesses are realizing the economic advantage of branding on their-bottom line. They are continually recasting their star-products as powerful distinct brands. As a result of these tremendous changes, the advertising and communication industry has grown to accommodate about two hundred agencies. These agencies include many professionals in public relations, branding and design, media advertising, and other communication sectors. Other entrants include high-profile multinational firms from the United States, United Kingdom, France and India that hold large market shares in their countries and worldwide. Most of these international firms have partnered with the local players through affiliated programs.

Despite the rise in the number of new entrants, Mauritian media advertising industry remains uniquely challenging. It is because of the size of the Mauritian market and the specialization in the provision of services. These new firms together with the existing players have to address the

constant growth in media offers. This happens whether it is online, through new radio stations and channels, through outdoor networks, in print, or through supermarket media.

4.3. Competition

The Mauritius media and advertising industry has become more competitive due to the entrance of new players and increased innovation and automation by the existing players. Presently, there are over two hundred advertising agencies in this nation. Some of them are affiliates of international conglomerates. Among these firms, the main competitors offering similar product levels and categories to Maurice Publicité Ogilvy are Circus advertising company, P&P Link Saatchi & Saatchi, and CREAD & Co ltd.

4.3.1. CIRCUS ADVERTISING COMPANY

This is the main competitor of Maurice Publicité Ogilvy & Mather whose reputation as the most awarded agency of the Indian Ocean has been rising. The major strength of this agency lies in its way of dealing with brands where every creation or positioning becomes a fruit of conceptual thinking and a precise modus operandi with expectation and needs of clients. This firm believes in constantly exploring the preferences and sensibility of its clients through constant qualitative research. This firm has specialized entities, one of which is La Ola. This entity adapts and reinvents itself at every step and ensures public participation in the brand building through networking and exchange.

4.3.2. P&P LINK SAATCHI & SAATCHI

This firm is a member agency of Saatchi & Saatchi. It has bagged a number of prestigious awards in the advertising field and is among the

most affluent advertising agencies in Mauritius and the Indian Ocean region. This firm has been at the forefront of the current advertising practices and has been perceived as a trendsetter. The major strength of this agency is its ability of venturing into innovative media through the use of information and communication technology. In this sense, this firm has begun using and placing an emphasis on digital advertising which is a new trend in the media advertising world. This agency has built brands like Durex, Nissan, and Mine Apollo, among others.

4.3.3. CREAD & CO LTD

This firm is considered as the designer of communication strategies that engage clients directly and has lasting effects on the bottom-line. This firm's strength lies in its strategy of putting the client front and center resulting into relevant, distinctive, and memorable campaign. Additionally, this firm uses unique and constantly updated research tools like Mind&MoodSM and Ideas That MatterSM, among others.

4.4. Industry Analysis (Porter's Five Forces)

According to Hill & Jones (2010, p. 42), the Porter's five forces model shows that there are five forces that shape competition within any industry. These forces are the risk of entry by potential competitors, the intensity of rivalry among the established companies within an industry, the bargaining power of buyers, the bargaining power of suppliers, and the closeness of substitutes to the industry's products.

1. **Risks of Entry by Potential Competitors**

   Potential competitors are the companies that are not currently competing in the industry but have the capability of doing so if they choose to. Presently, the Mauritian advertising industry has little threats

to entry due to the government effort to establish an entrepreneurship climate within the country. Cost of starting up business is low, and the process is less tedious. This has seen a number of international firms stating affiliate agencies within this country.

2. Rivalry Among Current Companies

According to Kotler & Armstrong (2007, p. 56), an industry becomes unattractive when it contains many aggressive or strong competitors, and if it is also declining. The industry becomes further unattractive if it has high fixed costs and high exit barriers. These factors make it difficult to compete and lead to price wars. The Mauritian advertising industry has a balanced rivalry and competition. The competitive advantage is sustainable through innovation and the fact that most of the players have powerful competitive strategies. There is also a good firm concentration ratio. This industry is very attractive.

3. Bargaining Power of Suppliers

In Keller (2008, p. 47), suppliers tend to be extremely powerful when they are concentrated and organized. In this way, they can be able to advertise a better price. The best defense in this case is for firms to build a relationship and win them. Suppliers include the employees or suppliers of manpower, suppliers of components, and suppliers of services. The Mauritian market has a good supplier to firm concentration ratio. The suppliers do not have the much power to have their way.

4. Bargaining Power of Buyers

Customers often have a strong growing bargaining power characterized by the demand for low price and better quality of services or goods (Brassington & Pettitt 2000, p. 56). Bargaining power of buyers often sets competitors against themselves at the expense of their

profits. Apparently, in the Mauritian market, the buyers are gaining more bargaining power due to the availability of the information on better and cheaper alternatives in the Internet.

5. Threat of substitute Products

In McDonald (2001, p. 32), substitute products are those offered by another industry but have the ability to satisfy the same client's need. These substitutes often limit the price and profit a firm or an industry can earn. The Mauritius advertising industry has over two hundred agencies that do not practice advertising as their streamline duty but offer such services.

5. Internal Marketing Audit

According to Baker (2003, p. 144), internal marketing audit places an emphasis on the activities and performance of the firm in relation to the external environment. The internal audit of Maurice Publicité Ogilvy & Mather will take into account the operating results, strategic issues analysis, marketing mix effectiveness, and marketing structure and systems.

5.1. Operating Results

A consumer survey carried out to better understand the wants and the needs of the customer using a sample of ten respondents revealed that 85% of Maurice Publicité Ogilvy & Mather's clients are satisfied with their services. The respondents of the survey confirmed that they are always served in time. The clients also felt that the account managers of this

agency had the necessary ability to establish, maintain, nurture and grow their relationship with the company. The service range of Maurice Publicité Ogilvy & Mather include print, outdoor, corporate/brand identities, packaging, TV, radio and other media advertising products.

Maurice Publicité Ogilvy & Mather, after evaluating the whole area of media analysis/planning in Mauritius, took the initiative, conceived, developed and invested in a joint venture independent media company resulting in the birth of Touch Point Ltd. This new subsidiary revolutionized the media scene in Mauritius and brought it up-to-date with global standards.

5.2. Strategic Issues Analysis

Maurice Publicité Ogilvy & Mather's marketing objectives are aimed at producing advertising that works. In this respect, this agency strives to provide business ideas that give their clients creative and effective communications. The agency's market is currently segmented in line with the products it provides. These segments are; print, outdoor, corporate/brand identities, packaging, TV, radio and other media segments. The competitive advantage this firm relies on is its innovative adaptability that has enabled it to successfully transfer from manual to digital age advertising. This firm boasts of providing business ideas and not just advertising. This firm additionally boasts of being a proactive rather than reactive company with highly-motivated, enthusiastic, and experienced staff.

5.3. Marketing Mix Effectiveness

The marketing mix effectiveness relies on the four or seven P's of the marketing mix. These P's include product, people, price, promotion, place, product life cycle, process (Egan & Thomas 2003, p. 145). In terms of this mix, especially this agency's product, pricing, place of distribution, and promotional strategy, this firm has been effective in delivering the results and meeting customer needs.

5.4. Marketing Structure and Systems

Marketing structure and system looks into marketing organization, marketing training and inter and intra-departmental communications (Drummond & Ensor 2008, p. 96). Maurice Publicité Ogilvy & Mather has an effective marketing system that has an effective marketing planning system, marketing information system, and marketing control system. These systems have assisted in producing effective, powerful and innovative communication campaigns.

6. SWOT Analysis

Dibb & Simkin (2008, p. 29) define the SWOT analysis as a structured approach that helps in evaluating strategic position of business entity by identifying its opportunities and threats and its strengths and weaknesses. The SWOT analysis of Maurice Publicité Ogilvy & Mather is illustrated below:

6.1. Strengths

a. A strong brand name, Maurice Publicité Ogilvy & Mather gives the

firm the ability to charge higher prices

b. Well-structured agency with forty employees and well-structured departments each with specific duties

c. Expertise in brand given that it is an affiliate of Ogilvy Worldwide. This affiliate partnership gives Maurice Publicité an access to Ogilvy & Mather's proprietary techniques

d. Media and digital expertise brought about by investing and venturing in joint venture independent media company, Touchpoint Ltd.

e. Faithful and loyal clients like the IBL group, which has worked with them for over forty years

f. A talented, experienced, and creative team that has won a number of awards

g. Economies of scale due to size. This enables this firm to cut on costs and provides cost advantage over competitors.

6.2. **Weaknesses**

a. Unpopularity of this agency among government bodies makes it less likely to get the market. This agency has poor relations with government bodies unlike years ago, when it was a monopoly.

b. Tendency of the staff leaving for better and well-paying opportunities

c. The loss of important long term partners and clients like Barclays Bank PLC and Phoenix Beverages have, within the last ten years, greatly affected the image and reputation of this firm.

6.3. Opportunities

a. Opportunity to offer internship programs to university students and increase popularity. This internship opportunity is also a strategy of grooming employees and tapping into the best human resource early enough.

b. Using charity and providing free services to special companies. This can help the firm to use its logo on the free adverts and create awareness for itself in the long-run.

c. Emergence of new brands in the market most of which do not know the role of advertising in the business world. This company should take advantage of this opportunity and approach this new fragile brands and offer brand expertise

d. Stable and good entrepreneurial climate set by favorable regulations

6.4. Threats

a. Intense and fierce competition from upcoming advertising agencies. Most of the advertising agencies in Mauritius have perfect know-how on advertising and value-added relationship with their clients.

b. Increased political risks as the government can quickly change the business rules to adversely affect advertising agencies.

c. Increased customer bargaining power from increased number of players in the industry.