

J m smucker
company marketing
essay



J. M Smucker Company has been providing the quality products to consumers since 1879. Jeromer Monroe Smucker, the founder of Smucker Company introduced the Company with limited products of jams, jellies, and preserves. To grow existing brands, introduce new products, and make strategic acquisitions is the main J. M Smuckers corporate strategy. These three strategies are focus mainly on the North America. Today, Smucker Company exceeds in manufacturing and marketing of fruit spreads, retail packaged coffee, peanut butter, shortening and oils, ice cream toppings, sweetened, condensed milk, and health and natural beverage all across North America.

J. M Smucker has its own house brand and is the owner of all trademarks except Pillsburry, the Barrelhead logo. Its house brand includes Smucker, Folgers, Dunkin Donut, Jif, Crisco, Eagle, R. W. Knudsen, Hungry Jack, Café Bustelo, White Lily, Five Roses, and Carnation etc. With the policy of “Owning and Marketing Number 1 brand sold all around the North America”, Smucker Company has been able to remain in the top quartile of Fortune’s magazine since the magazine created the ranking.

SWOT Analysis

Strengths

The Company is able to become No. 1 food brand Company in North America because of its remarkable strengths. Smuckers has always been cautious in the series of the acquisition of new Company. Smucker’s tries to acquire only established brands than building a new brand from scratch. They also focus on the only brands they think they could develop globally and reduce the

number of unwilling items. Smuckers Company has the ability to shift sales to products with higher margins increasing the efficiency and pulling down the unit costs. J. M Smucker never back up themselves when it comes with competing branded food manufacturers or private-label manufacturers. Smucker's strengths also include its ability to keep employees happy and it remains Fortune Magazine's top 25 companies.

Weakness

Even though the Company was doing better in USA, Canada, and Australia; however, globally the company was becoming less relevant. The Company's 2001 annual sales were far less comparatively to other big company's sales. The Company small size and limited product line made it less capable in competitive bargain advantages and in store production. The Company was lacking house-sale product and also lacking of effective marketing for their low sugar free jams. There could be a possible susceptible to lawsuits from product mislabeling.

Opportunity

J. M Company has been producing attractive products and brands. But huge competitors with the big scale such as Nestle were also encouraging Smuckers Company to go from limited product line to consolidation in order to have a smooth flow in the business. Thus co-branding with other companies, taking over the Multifoods, and targeting baby boomers those were looking for peanut butter substitutes makes the most of the opportunity. They also got the opportunity of a service division to restaurant, schools, hospital, college students, corporate, private schools, and country

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club. During the 90's the woman working outside was increasing remarkably; they were eating their lunches outside their houses that helps increase significant percentage in food market. The Company increase overall profitability.

Threat

There were many external threats to the Smucker Company; major one includes the competition such as Kraft, Nestle, and Campbell. Another threat concludes the fierce competition between the branded food manufacturer and private label manufacturer. Private manufacturers' price was attractively below then the branded label. There was a significant increase in the fruit prices from growers that leads the Company use less real fruit decreasing the quality of the product. Consumer tastes were also considers a substantial psychological threat which could make the customer substitute the Smucker's product with others.

Recommendation

Smucker is a small Company comparing to the giant Company like Nestle. In the competitive market, Smucker's has done its best performance by acquiring the other company making the Company looks bigger. But such rapid consolidation can cause a lot of problem. The latest addition of Crisco and Jiff, as well as much other small and big company has created much concern for the Smucker's company. Smucker's sales was projected to go up from \$ 651 million in 2001 to 3\$ billion in 2002, nearly four times larger. Such marketing plan can cause the Corporate's culture and management problem. Smucker's Company need to take it easy in the acquisition process

and shouldn't rush trying to increase the majority sell. Smucker's must bring change in the management and make sure of the Company's better culture. The management of each unit needs to be reorganized with a new division.

The second recommendation to Smucker's Company is while making a decision weather which product to keep on the market. Company should only focus on the profitability unit and eliminate the product that hasn't added any value to the company's operation. Doing so, Company will have a strong control into its operation. Company should try its best to regulate on further horizontal integration until it is well establish and ready for the vertical integration.

For the continued success of the company, research and development would be very important. R &D has made it possible for the company's largest growth segment in their Un-Crustable products. Improvement in the technology and innovation will offer the Company with best packaging design that will increase the number of customers. They should also investigate the cost saving measures in production, marketing, and distribution because the market for Smucker's is quiet cost sensitive. Product and process innovation will definitely bring the cost benefit to the company.

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