

Ben and jerrys swot factors



**ASSIGN
BUSTER**

\n[[toc title="Table of Contents"](#)]\n

\n \t

1. [Strengths](#) \n \t
2. [Weakness](#) \n \t
3. [Opportunities](#) \n \t
4. [Threats](#) \n \t
5. [Argument on General Terms](#) \n \t
6. [Merits and Demerits of entry modes:](#) \n \t
7. [Logistics](#) \n

\n[/toc]\n \n

Ben and Jerry's is the ice cream company which is having the production facility in Vermont and marketing and selling the ice-cream most of the countries in the world. Ben & Jerry's started making enquires about the Japanese market to start their operation in the world second largest ice cream market where the annual sales is approximately 4. 5 billion USD.

Even though the market is big and it is one of the toughest markets among the other. Here the language and the audience both seem unpredictable and understanding them without knowing their language is more difficult. But Haagen-Dazs have already entered into the market before 10 years. Ben and jerry's is the late entrant among those six leading players. It is the market where the consumers where demand high quality products and also with the more number of varieties and styles. Arguably this is the most affluent country in the world.

Though Haagen-Dazs's financial figures were not published, market intelligence suggested the ice cream maker had Japanese sales of about \$300 million. Haagen-Dazs had managed to capture nearly half the super premium market in Japan. On the one hand, Haagen-Dazs would be a formidable competitor that would likely guard its market share. On the other hand, there would be no apparent need for Ben & Jerry's to teach the local market about super premium ice cream. The market seemed to welcome the case information presents a situation report of Ben and Jerry's strengths, weakness, opportunity and threats (SWOT) factor report.

Strengths

Established successfully in the global markets in terms of USA and non – USA

Ben and Jerry's another part of their synonymous for social responsibility is Caring Capitalism. Ben and jerry's gave 7.5 percent of pre-tax profits to social causes like Healing Our Mother earth, which protected community members from local health risks, and Center for Better Living, which assisted the homeless

Ben and Jerry's sell its ice cream with the chunky ingredients and catchy flavour names like Cherry Garcia and Chunky Monkey

Weakness

Ben and Jerry's unquestionably held the second largest market share (at 34 percent compared to Haagen-Dazs' 44 percent) of the American super premium market, the company had started to lose market share.

Hired Perry Odak at the recommendation of one of its member at a base salary of \$300, 000 with a start date in January 1997

Ben and Jerry's brand had the country's fifth highest share of the ice cream market in terms of value, it still accounted for only a small 3. 6 percent of the market

Opportunities

Seven- Eleven interested in bringing Ben and Jerry to Japan was that Seven- Eleven's combined USA and Japan operation would become so important to Ben and Jerry

Haagen-Dazs was being sold for 250 Yen per 120 ml and seven – Eleven wanted to position Ben and Jerry's at a slightly lower price point

Yamada would expect to add selected flavours of Ben and Jerry's ice cream cups to the Domino's delivery menu

In today's health conscious societies the introduction of more fat-free and healthy alternative ice cream and frozen yogurt products

Threats

Ben and Jerry's was beginning to lose market share in both the total ice cream market and more importantly, the super premium market

As the product would be exported from the United States, there would be a risk of negative exchange rate movement that could make exports to Japan no longer feasible

Ice cream should be pack in personal cups and not in a 473 ml (one pint) size that Ben and Jerry's currently packed. The main fact is that small cups were the ice cream is seldom consumed as a family desert in Japan, but rather is consumed as a snack item. Customers mostly like to have that as an individual serving.

Designing a small cups need the company to install new machines on the existing plants. The expense is more than \$2 million for new equipments.

Argument on General Terms

Ben & Jerry's began making inquiries about opportunities in Japan, the second largest ice cream market in the world, with annual sales of approximately \$4.5 billion. Although, the market was big, it was also daunting. Japan was known to have a highly complex distribution system, its barriers to foreign products were high and the distance for shipping a frozen product from America was immense.

Ben & Jerry's would be a late entrant, more than 10 years behind Haagen-Dazs in gaining a foothold in the market. In addition, there were at least six Japanese ice cream manufacturers selling a super premium product.

The company currently packing in a 473 ml (one pint) size but the market is for the personal cups. The main fact is the ice is the favourite snacks for the people in Japan. So the personal cups will pull the market towards the brand. Ben and Jerry's have not having the machinery to make the small cups. It would require around \$2 million for new equipment and Ben and Jerry's are also ready to install the machineries in the existing plant itself.

But in this period of time invest of \$2 million for this purpose will affect the deal further. Japanese buyers basically expect the product on the perfect specification which they need. The Japanese customers are having the capacity to demand the company to offer the products on their specification.

Merits and Demerits of entry modes:

Ben & Jerry's management was interested toward an entry into Japan it was not a good business plan. Entering into such a complicated market where the language and the audience everything is different. The entry will happen with the good financial background and the best management. The product is exporting from the Vermont so there is chance could be risk of negative exchange rate. It makes the company to face the unprofitable situation. This is the main risk factor on emerging the business in Japan for the Ben and Jerry's.

The positive and negative factors are more in the entry of Japanese market for the company. There are lots of chances to get the distribution inside the country. On that entering with the help of Seven-Eleven is the safest way to the ban and jerry's. It reserves the freezer compartment for their product in the 7000 conventional immediately across the country.

On the parallel side there is also a chance to lose the popularity among the audience. The Seven-Eleven planned to place the product within the conventional stores. Where the chances are like placing its product among the other existing market leaders. It will reduce the chance to be exploring the market like the Haagen-Dazs have done. Chances to become a store

brands is too low. The deal between the Ben and Jerry's and Seven-Eleven will never affect the any existing product in the market.

On the whole of business agreement there is a major drawback in signing the agreement and it is the ice cream package size. Ben and jerry's package size is 473 ml but the Seven-Eleven insisted Ben and Jerry are to be packaged only in 120 ml personal cups. The main factor is that Japanese market is mainly for the personal cups. They often consume ice cream in one of their snack instead of family desert.

Yamada the company proposed to Ben and Jerry's to have the full control on the sales and marketing in Japan. By giving the full sales and marketing control to Yamada will helps the Ban and Jerry's in the positive way. Because dealing in an unfamiliar market like Japan will sure difficult for the company to operate. It also cares for the company to get the instant expertise in the unfamiliar market.

Yamada is already known to the market in the frozen foods and building a chain for Dominos in Japanese market. By signing a legal agreement will make the Yamada to start the marketing process. It makes the Ben and Jerry's to be the leading brand in the market. And Yamada have already expected to add the different flavours to Ben and Jerry's ice creams and also planned to add some of its flavour to the domino's delivery menu. But so far no agreement has signed which makes there is no any specific plan.

Seven - Eleven can make the company to start the instant operation in Japan. But apart from that it can't make any more development in the branding. Because as Seven-Eleven committed it will sells six cups per day

will never generate more popularity and revenue to the company. Ben & Jerry's was the new product to the Japanese market and it is not having an enough budget to run a marketing campaign in the Japanese market. Seven-Eleven is the only hope for the company to handle the promotional efforts. But it never committed any specific plan with the company.

Logistics

Ben & Jerry's had long been shipping ice cream to the West Coast and to Europe in freezer containers. Shipments to Japan were feasible in delivery reliability especially key, and, of course, costs would have to be minimised. Logistics research indicated it would likely take at least three weeks shipping time from the plant in Vermont to the warehouse in Japan. The product could not be shifted to another customer nor could another customer's product be shifted to Japan.