

Nestle swot essay



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A one page table that state the strengths, weaknesses. Opportunities and threats of this product. Findings: A one page explanation of the points listed in the SOOT table, and ranking it from the most important to the least.

Recommendations: A two page description of the new product, and Justification of the choice made by choosing this product using at least one of the four analysis points. Introduction Nestle Is the world’s leading food company. Nestle was found In 1866 by Henry Nestle and became one of the biggest food and beverage company.

Nestle started at providing babies food with high quality. However, in recent years, Nestle has focused on nutrition, health and wellbeing. Since establishment until now, Nestle has been through 6 stages: 1866- 1918: Food products for babies and Powder milk; – 1944: Chocolate, Coffee and Fresh milk; 1918 1944 – 1975: Fast food Magi; – 1981: Fast food products; 1975 – 1996: Yogurt and Butter; 1981 1966 – Present: Ice cream.

Nestle develops its company by the way of calculation; they acquire other International companies to expand their market.

However, It also faces the risk of controlling their business with a large market from different locations. Many impasses enter into the food industry which has increased the number of competitors in this market. Nestle has focused on finding and developing new products that concentrate on health and how to maintain customer’s health.

The main competitors of Nestle are Milliner, PepsiCo Inc. , Kraft Foods Group Inc. , and Grouper Deanne S. A. Through five years, the profit of Nestle

Australia was decrease because of the competition of other companies; In 2012 It profit was 248, 505 million.

Table 1: Financial of Nestle in the last 5 years Nestle. The below section has taken a brief overview of SWOT analysis. In the discussion section, the key of strengths, weaknesses, opportunities and weaknesses are analyzed in more particular. Finally, the suggestion for the company is made.

SWOT Analysis Strength Weakness 1 . World's largest beverage and food company (\$7 billion in revenue). 2. Affordable product price 3. Wide range of product catalogue 4.

Research & Development capabilities (food and nutrition research) 5. Distribution channels and geographic presence 6.

Competency in mergers and acquisitions 1. Inability to provide consistent quality in food products 2. Employees' safety failure 3.

Customer fears to try the unique mixture product of nestle 4. High Spending on advertising 5. Weak implementation of Corporate Social Responsibility Opportunities Threat 1 . Brand image (advertising and promoting targeting children) 2.

Increasing demand for healthier food products 3. Establishing new Joint ventures 4. Uses many type of marketing to promote their product 1 . Competition 2. Substitute goods 3. Food contamination 4.

Rising of raw material price 5. Trend towards healthy eating Discussion Strengths As Nestle is a world renowned brand it has certain key core

competencies. One would be the unmatched product and brand portfolio.

The business offers one of the widest portfolios of food and brewery products in its sector.

It also operates 29 brands that earn more than \$1 billion in annual revenues. With more than 8,000 products it is hard for any other corporate to compete against Nestle. Second would be the company's ability to grow with research and development.

Nestle invested more than \$2 billion in research and development in 2011.

It's introducing new and redesigned products every year, strengthening firm's competitive advantage. Third has 100 countries and has extensive distribution channel all over the world, which supports its operations globally. Fourth is the core competency in mergers and acquisitions. Over the years Nestle has been forming successful partnerships and acquiring other companies in order to grow and maintain its leadership in the market. Lastly the brand reputation valued at \$7 billion.

Nestle is known almost everywhere and has a reputable brand for its products that are used by millions every day.

Weaknesses Nestle has its weaknesses however it is very minimal in comparison to other companies. One would be its inability to provide consistent quality in food products. Nestle has been recalling many products from trade due to food contamination or poor quality supplies. This does not only hurt firm's sales but its image as well as the business is unable to control quality of the products.

Another would be its weak implementation of corporate social responsibility.

The company has announced and is involved in many programs that aim to make company more eco-friendly and improving the working conditions of its suppliers. Still, Nestle receives a lot criticism veer the effectiveness of its programs. Every individual company is seeking to maximize their opportunities, However, when taken into consideration few key areas can be taken into account. First is the increasing demand for healthier food products.

The trend of buying and consuming only healthy food products is a major shift in consumer tastes and opens up an immense market for companies.

Currently, Nestle tries to introduce more healthy food products in response to the trend. Another is acquiring start-ups specializing in producing well-being products. Many new start-ups are forming and introducing new reduces for well-being or revolutionize the ways those products are made.

Start- ups are cheap and can easily be acquired. Nestle is focusing on providing more well- being products and this is a great opportunity to expand its portfolio. Another good opportunity for Nestle would be establishing new Joint ventures.

Nestle is already involved in many successful partnerships with major world companies like The Coca- Cola Company and Android.

Threats Majority of the companies in businesses face threats on daily basis however, it the actions that need to be taken in order to minimize future threats. One major factor is Food contamination. Although it is Nestleg's

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responsibility to run thorough quality checks of its products, the company had been reportedly providing contaminated food or other products to the market. Such actions hurt company's reputation and result in losses.

Second would be the trend towards healthy eating. Nestle is a major supplier of chocolate and chocolate drinks that have high level of calories and due to changing customer habits, will experience decline in demand.

As the Growth of private labels is rapidly increasing, this may have a long term effect on Nestle. The growing number of supermarkets and other retailers are introducing their own label products that cost less and can easily compete with Nestle's product portfolio. Lastly, rising raw food prices which generates a massive impact for all businesses.

With an overall growth of world economy and population, the demand for raw food will rise.

Recommendations The Entourage's new idea is a novel, unique and inspired product whose immense popularity will see it flying off store shelves and is surely going to be a new step forward for the Nestle Company. The product in question is a new type of cereal, which may seem dull and boring at first glance, but the appeal of the product lies more in its enhanced practicality. The product is a range of new cereal flavors consisting of wheat flakes, dried fruit and flavoring (chocolate, vanilla etc. .

The wheat flakes will be in the shape of triangles, to achieve a brand image and for consumers to relate a simple/everyday object with our cereal, so that they are constantly reminded of it. The cereal is sold inside bottles/cans.

When consumers buy the product, they will simply need to pour milk into the container and the result is an instant cereal fix, whether at home, at work, on the bus or anywhere else. The bottle/can also come with a resalable lid, which can be opened and closed at will to avoid spilling the cereal.

Other cereal products force the consumer to sit and eat, despite the fact that they may be running late and other on the go products are liquefied sugar that merely provides a mild energy boost, whereas our product combines the best of both worlds.

Not only does the consumer get a filling, wholesome and tasty breakfast, but they also receive these benefits without sacrificing time, an important resource in the morning. Strategy Profiles: Competition (Threat)/Brand Recognition Worldwide (Strength) - A day to day problem for firms is the constant competition from other businesses, whether minor or major.

When attempting to launch a product and/or maintain its life on store shelves, there will always be demand for a competitor's product. However, with smart advertising and a big name like Nestle, we can work to ensure that our product is what people are constantly talking about. Products are high in sugar and fat (Weakness)/Further research into nutrition (Opportunity) - Our product may not be the most fattening item on store shelves, but a high sugar content isn't usually the best image for a product.

But with research into health and nutrition, the product can change.

By constantly tinkering with and changing the recipe, we will be able to achieve a product that is not only nutritious, but retains that delicious flavor

that the product is famous for. Customer fears to try the product (Weakness)/Affordable product price (Strength) - Consumers will always prefer to buy products that they are familiar with, instead of trying new items and because of this, it can be very difficult to introduce a new product into the market.