

# [Wegmans swot analysis](https://assignbuster.com/wegmans-swot-analysis/)

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Wegmans Strength Wegmans is not only strong in its presence for exciting shopper’s eyes with its great food emporium, but also a company that shows that they care a lot about their employees. It recently early the title of being one of the top Fortune 100 companies to work for due to its great assistance programs and employee benefits. From overseas training in wine, cheese, etc, for department managers to scholarships for their young people.

These also apply to the way they serve customers. Other perks received while working for Wegmans include job sharing, compressed workweeks, and telecommuting; thus, offering more flexibility in employee lifestyles. The lesser publicized strengths are their demographic research to build in the right locations, a strong Store Brands program, and their health & wellness initiatives.

Wegmans also has a strong and efficient supply chain system, in which it uses the “ farm to market” system thus reducing the company’s inventory holding costs and getting the produce into the stores as quickly as possible. Weakness Still a large amount of people have a preconceived notion that Wegman’s prices are consistently higher than those of other chains. Knowing this, Wegmans tried hard to overcome this for the last 10 ten years to acheive the “ everyday low price” seal in many of its high volume products.

A strong private label program has accelerated Wegman’s effort to keep the prices to low; however, this has ignited an outcry from manufacturers and suppliers who compete for shelf space and claim Wegmans’ house brand is overextended in some areas; thus, causing frustration among customers about the lack of a national brand options. Other internal challenges that Wegmans need to overcome is its pricing policy and margin requirements that creates strained relationship with vendors Opportunity

Wegmans see an increaseing market potential to meet the growing demand for organics and health food products. The increase in square feet of its “ Nature market place” section reflects Wegman’s nimble efforts to become the food emporium showcasing the hottest natural food trends in the industry. Another large Wegmans opportunity is business expansion in the U. S, since it still regionally compact and limited to 75 units in the Mid-atlantic and the Northeast coast. Threat There is increasing competition from two fronts: high-end (Whole Foods) and price competitive (Wal-Mart, and Aldi).

Giant Foods is also a regional competitor that is currently doing a complete renovation of its stores. Other external threats include an economic downturn that affect core shopper spending habits. With the increasing trend towards convenience, ecommerce giants such asAmazonis also a big contender in competing consumer spending. In this highly competitive low margin grocery industry, Wegmans need to understand their core competencies and focus on what they deliver best: high customer service, strong store brand program, and exciting dining and shopping experience.