

Chapter3

Business



Business Business Question One Coca Cola is one of the biggest brands around the world that offers different kinds of non-alcoholic drinks. However, just like any other business, Coca-Cola is affected by industrial forces. The company has its own strengths and weaknesses that can affect its performance. PESTLE analysis is a common method used to analyze the external factors that affect the business. This stands for Political, Economic, Social, Technological, Legal, and Environmental factors affecting the business.

Political analysis examines how political pressure influences the business (Partridge, 1999). This business is affected by regulations that govern the standard of products being produced. There are potential fines if the standard law is not met. Canada is a stable country so the company does not experience frequent changes in laws and regulations. The economic analysis examines how the business is affected by the world's economy. The non-alcoholic beverage industry in Canada has high sales because of the high economic growth in the country. Social analysis examines how changes in the society affect the organization. Consumers who are around the ages of 37 to 55 are becoming more concerned with nutrition. They are changing their lifestyles to a more healthy habit. Technological analysis examines how emerging technology affects the company (Edwards, 2014). This company has taken advantage of new technology to improve its products in terms of packaging the products and through its marketing strategy. The legal analysis examines how the company is affected by the national and world legislation. The company has all the rights that is applicable to the nature of its business. The Environmental analysis examines how environmental issues affect the company. Coca Cola makes sure that all its facilities comply with <https://assignbuster.com/chapter3/>

the environmental laws set by the government. The company understands the importance of studying the PESTLE in its success.

Question Two

Companies operate in very competitive markets where substitutes and competitors keep on emerging. It is crucial for companies to be innovative in order to survive in the industry. One product that faces competition is Colgate. This toothpaste has been in the market for many years and is one of the most trusted brands in the market. This is also recommended by dentists worldwide for its ability to strengthen the enamel, whiten the teeth and freshens the breathe. However, toothpaste brands have increased significantly in the market over the years. The market is filled with many brands, each with its own benefit. Some competitors include Crest which is well known worldwide for its whitening purpose. This also offers tartar build-up protects and is has been flavored especially for children. The second competitor is Sensodyne which is usually used by people who have sensitive teeth. This toothpaste also has the properties that whiten the teeth and protect the tooth enamel for both adults and children. Close-up is another competitive brand that is well known for its mouthwash ingredients. This toothpaste is also designed to prevent cavity, make breath fresh, and whiten the teeth. Finally there is Pepsodent toothpaste which is a brand owned by Unilever. It aims at whitening the teeth, strengthening the tooth enamel, and eliminating plaque buildup.

An analysis of some of the competitors shows that their products are substitutes for Colgate (Fleisher, 2003). They have the same benefits including freshening the breath, whitening the teeth, and strengthening the tooth enamel. To secure their place in the market, Colgate needs to be

innovative, especially, in its marketing strategies. This is to make sure that customers are always attracted to the product.

Bibliography

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