

# Costa swot analysis



## SWOT analysis for Costa

A SWOT analysis can be defined as a tool that helps people to evaluate the strengths, weaknesses, opportunities and threats involved in a business enterprise (Lynn F. Kime, 2008: 1). In this essay, the SWOT analysis will be made for Costa. The most important use of this analysis model is that it allows organizations to identify both the external and internal factors faster, being used as an important tool for decisions and also it helps developing the strategic plans (Christophe Seth, 2015: 5). This essay will be dealing with the SWOT analysis for Costa.

Costa is a British coffeehouse company founded by Italian brother Bruno and Sergio Costa in Lambeth London in 1971 . It has been voted as a nation's favourite coffee shop in the last three years. A coffee shop is a small and informal restaurant where small meals and especially coffee based drinks are served. As William H. Ukers says , " Coffee has become recognized as a human necessity."(William, 1922: 5)

Firstly, the most important strength that Costa has, is that their sources of beans are certified by the Rainforest Alliance so the practices used are sustainable . Sustainability can be defined as a quality of depleting the environmental harm and supporting long-term ecological balance, being a very important factor as the quality of life can not be maintained if we do not embrace it (MEGAN H., 2016). In addition, the community spirited power makes an important strength point for Costa, being a central meeting point for local communities since a long time (COSTA, 2017). Furthermore, as

Costa official website describe, there are 1, 500 Costa stores around the UK, making this coffee company a well known coffee shop brand (COSTA, 2017).

Secondly, the main weakness that Costa has, is that there are a limited number of countries which enjoys its presence, internationally operating 442 stores throughout the world in 29 countries (COSTA, 2009). Moreover, Costa has quite expensive prices compared to other not so well known coffee shop brands, not giving the opportunity to use those services to all the people categories, Costa having medium prices between the three most known coffee shops in U. K., as found in the London toolkit's survey (Earls Court Kensington, 2017).

Thirdly, the most important opportunity that Costa have is continuously expanding and merging, taking over or forming alliances with other coffee companies. According to a survey conducted by the Allegra Strategies, Costa is estimated to have served 169 million cups of coffee in 2015. The company increased its coffee outlets from 1, 992 to 2, 163 outlets, increasing their profit up to 15 per cent (DATA ANALYSES, 2016).

Finally, as every successful company have its achievements, it's necessary to have its threats to run. The biggest threat that could affect Costa are the company's competitors, as it works in order to keep its first place among the competition. According to Coffeebi, " Costa has the lion share of the highly growing market due to the tremendous number of coffee shops compared to other chains, 2, 163 coffee shops compare with 849 and 620 coffee shops for Starbucks and Caffe Nero respectively which are its close competitors." (Data Analyses, 2016)

In conclusion, Costa is a well known coffee shop brand around the UK and other 27 countries, known for its coffee products of good quality and a multitude of stores strategically placed so it can be reached fast by everyone. The SWOT analysis has been used in this essay to discuss about the Costa's internal and external factors, by strengths, weaknesses, opportunities and threats.

## References

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