

Swot analysis dps

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Dr Pepper Snapple Group Inc. Section 1: Identify the Firm's Core Strategy *

The core strategy for the Dr Pepper Snapple Group (DPS) is to produce both carbonated soft drinks and noncarbonated beverages that are tasty and appealing to their range of customers, while making a profit and continually growing. They are able to do this by using some key elements in their business strategy. They focus on building and enhancing their existing leading brands, such as Dr Pepper and their Snapple drinks.

They also must focus on opportunities in high growth and high margin categories. They strive to increase their presence in high margin channels and packages. DPS also leverages their integrated business model. They must strengthen their route-to-market through acquisitions. Finally, they are also focusing on improving their operation efficiency. Section 2: External Analysis (Opportunities & Threats) * An opportunity DPS has is that they are able to keep strong relationships with their direct customers, which are the distributors and the retailers.

With the opportunities to sell their syrups directly to fast food restaurants they are going to be generating a steady profit for many years to come and fast food is still a thriving business. * Another opportunity would be that they could hopefully start bottling more of their products in house so that they aren't giving business to their two main competitors. They could grow the bottling business and start utilizing their own facilities. A threat for DPS is that when the cost of sugar rises they are negatively affected because they then have to raise their prices and when they do less people are able to buy their products due to the economic state throughout the country. People who are unemployed or making less money due to the current economic downturn will

first cut spending on items that are not needed and they will turn to less expensive drinks. * Another threat is that health and wellness are trending right now and with people reducing their caloric intake they are no longer using DPS products that are packed with sugar.

Section 3: Internal Analysis (Strengths and Weaknesses) * A strength that DPS has is that they have a very strong management team that sets out goals for their employees and goals for the company. They are not only known for their products but are also recognized for their philanthropy and ethics. * Another strength is that DPS is able to revamp existing brands to gain market shares along with losing brands and replacing them with successful replacements that are in new avenues such as flavored waters and energy drinks, which help gain market share also. A weakness is that the majority of their bottling is done by their two competitors, PepsiCo and Coca-Cola, which does not help DPS when competing to be at the top of the industry. They are practically giving away business that they should start doing themselves. * Another weakness DPS has is their finances. Their profits are not consistently growing; they took a big hit in 2008 and are still trying to recover. Slowly but surely they are increasing, however it needs to be happening much faster in order for them to stay a contender in the industry.

Section 4: Strategic Recommendations * I think that DPS should stick to what they know and that is the beverage industry. I don't think jumping into the snack business would help them grow any faster. * I think they should start expanding their bottling unit of the business and stop relying on their competitors for bottling contracts. * They need to keep promoting their big sellers such as, Dr Pepper, Sunkist, A&W, and Snapple, along with producing

some lower-calorie beverages for the more health conscious customers out there.