

# Swot analysis of "nivea sunscreen soap"

[Finance](#), [Financial Analysis](#)



## Strength

- With the unique features of the “ Nivea sunscreen soap” soap, an aggressive advertising campaign was imperative to inform the target market, create brand awareness and established basis for brand preference in soap market.
- Efficient and effective management are the main contributors for the achievement of organisational goals.
- “ Nivea sunscreen soap” has active protective agents, which provide prevention against all possible skin damages caused because of sun exposure.
- Portable and easy to use packaging.
- Scientific manufacturing of “ Nivea sunscreen soap” at our plants.
- No cash flow limitation.

## Weaknesses

- Nivea sunscreen soap sun block soap is a new product concept.
- Nivea sunscreen soap is not known by many people that are brand name has yet to be established.
- Nivea sunscreen soap is facing high competition directly with the soap market And indirectly with the wide range of sun block creams and lotions.
- High commission rate for the distributors and retailers.

### Opportunities

- Nivea sunscreen soap might be established as a very successful brand name.
- Expansion of business in other cities of Thailand.
- Growing awareness amongst people regarding sun block soap.
- Sales of retail outlets increase because of Nivea sunscreen soap.

### Threats

- Major threat is customer reluctances to buy the new products.
- Raw material cost may increases.
- Constantly changing government policies.
- Legal considerations.
- Any unexpected reaction from competitors' side, like launch of a similar product by a well-known company.

Globalisation and Cosmetic Industry of Thailand Due to the globalisation effect, the cosmetic industry in Thailand is certainly one of the nearly all significant economic sectors in the country, accounting for 43. 8% of total customer expenditure in 2003.

By total cosmetic products sales at Bt1, 515. 4 billion in 2003, this figure is predictable to rise even additional, with the Thai economy having clearly

recovered from the 1997 financial disaster, and having also regained the self-assurance of foreign investors and tourists in spite of fanatic threats and the SARS plague. In 2003, there were a total of 380, 000 cosmetic products outlets. Total cosmetic products sales area in the similar year stood at 85. 53 million square meters.

The meaning of the cosmetic industry in Thailand is obvious when it is seen that though employment in cosmetic industry engaged 4, 985, 000 people, or 14. 3% of total employment, it accounted for 69. 1% of total consumer expenses on goods (Barry Wilson, 2004). The Thai cosmetic industry environment has distorted radically in the years since the 1997 financial crisis because of globalisation, which saw lots of Thai shareholders having to sell their shares to foreign-owned multinational cosmetic industry operators, as well as the Thai government's policy to hold trade liberalisation in its wish to contribute in the World Trade Organisation (WTO) and AFTA (ASEAN Free Trade Area) (David W. Raisbeck, 2003).

To struggle the financial crisis, the Thai government followed trade deregulation. Thailand has since welcomed an influx of large-scale multinational hypermarket, supermarket and specialist organisations, which are eager for a share of the Thai cosmetic industry market. This has raised protests from several Thai academics and traditional organisations, which have raised the " nationalist" alarm bells.

Globalisation has also resulted in the manner that numerous Thai-owned minute and medium-sized organisations have been pushed out of business since they could not fight with the much better multinational discount stores,

as some better Thai organisations have been bought out by foreign conglomerates. As a result of globalisation the majority of these foreign investors possess relative advantages in terms of a noise financial base, superior economies of scale, lower costs of production and superior bargaining power, due to their much larger order volumes (E. G. , 2005).