

# [Celestial tea swot analysis](https://assignbuster.com/celestial-tea-swot-analysis/)

[](https://assignbuster.com/)[Business](https://assignbuster.com/essay-subjects/business/), [Marketing](https://assignbuster.com/essay-subjects/business/marketing/)

Celestial Tea SWOT Analysis SWOT Analysis: Celestial Tea SWOT Analysis Environment SWOT List Internal Strengths All ingredients are natural   
Major tea producer in North America   
Connects to its customers through social media   
Good reviews by online retailers   
Weaknesses   
There are pesticide traces in some products   
Tea sales less than most of its competitors’ (Lipton, Twining and Private Label) sales   
External   
Opportunity   
Health benefits of tea have increased popularity   
Addictiveness of tea   
Threats   
Many competitors in the market   
Strengths   
Celestial tea has found strength in its ingredients that are all natural. This has enabled them to come up with a variety of tea types that have natural and unique tastes. This puts them in the forefront of the most liked tea as they increase their sales. Being one of the major tea producers in North America, Celestial tea celebrates a huge market share with a known brand name. Theres a positive connectivity between the company and its clients through Twitter and Facebook (Prezi, 2014). This enables the company to do well in marketing its products cheaply and easily. Many online retailers of Celestial tea have given many positive reviews to the Company due to its high-quality and unique products. This has made the company receive even more customers.   
Weaknesses   
Given the fact that the company uses some herbs and natural ingredients to make some of its unique tastes of tea, some of these ingredients have been found to be pesticides. This issue has made some people afraid of using the Companys products, though, many customers dont mind about this as theyve been using the products for a long time without any bad experience. In as much as the company enjoys a huge market share in the Tea Industry in North America, its sales have always trailed those of its major competitors such as Lipton, Twinning and Private Label.   
Opportunity   
There has been an increased opportunity in the tea sector for Celestial Company due to the various upcoming health benefits that have been proved to result from using tea products, especially natural tea. This has increased the popularity of tea that comes with increased consumption. As a result, many consumers begin using tea, and this translates into increased sales for the company. Tea has also been proved to be a very addictive beverage. This makes those who have begun using the product to continue using it for a very long time and increase its use. This translates into more market for tea.   
Threats   
Due to increased popularity of tea, there is a vacuum in the market created by an inadequate supply. This gives room for more competitors to come up. Many competitors mean the industry will have many players and few benefits.   
Current Competitor Analysis   
Celestial Tea faces a very stiff competition from the major tea manufacturers in the U. S., the Unilever United States. According to 2014 statistics, Unilever made sales worth $418 million, which was estimated to be twice the size of its closest competitor, RC Bigelow (Euromonitor, 2015). This is the company where Lipton brand belongs to a top brand. Celestial Tea finds itself in the third to fourth position in the American Tea industry after the major companies mentioned above. In North America, however, Celestial remains one of the major tea companies (Hoovers, 2014).   
Target Customers   
Celestial Tea currently targets young adults with fairly hectic lifestyles. Such people know the benefits of tea of being rejuvenating and blood purification (Staurt, 2007). Therefore, young musicians and other celebrities are targeted by the company. Spending on tea is fairly inelastic when spending power is considered. Therefore, the company also targets almost all households that use tea as they will most likely use the products at least once a day. Celestial also targets those people who are health conscious. Those who put more emphasis on fitness and their overall well-being like taking tea a lot. They also target those who are socially conscious. These are charity organizations that buy tea in bulk to support charities.   
References   
Euromonitor. (2015, February). Hot drinks: Tea in the U. S. Euromonitor Journal, 1-4. Retrieved from http://www. euromonitor. com/tea-in-the-us/report   
Hoovers. (2014, 11 7). The Hain Celestial Group Inc. Competition. Retrieved from Hoovers: A D & B Company: http://www. hoovers. com/company-information/cs/competition. The\_Hain\_Celestial\_Group\_Inc. 1c12a7aee7d73e64. html   
Prezi. (2014, December 4). Celestial rejuvenating green tea. Retrieved from Omnirender: https://omnirender. com/videos/celestial-rejuvenating-green-tea/   
Staurt, E. (2007, November 26). Take tea and see, again. New York Times, 1-3. Retrieved from http://www. nytimes. com/2007/11/26/business/media/26adnewsletter1. html? pagewanted= print&\_r= 0