

Celestial tea swot analysis

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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. There's 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 Company's products, though, many customers don't mind about this as they've 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

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