Swot and pest analysis essay sample

Literature, Russian Literature

The following swot analysis helps to shows four main things, first of all it shows the opportunities available and also the threats when releasing a new cereal bar into the market, it also helps show any strengths and weaknesses for Cadburys when releasing there new cereal bar into the market, overall helping to ensure no mistakes are made.

Strengths

* Cereal bars are suited to modern eating trends, i. e. snacking.

* The cereal bar market is growing continuously.

* Cereal bars are now more popular amongst consumers.

Weaknesses

* Products such as Kellogg’s continue to dominate the market.

* There is strong competition in the cereal bar market.

* There is competition from other markets as well, i. e. cake bars and confectionery

Opportunities

* There is still plenty of space for more growth in the market.

* Consumer demand for healthier food in the future may help boost demand for healthy cereal bars.

* Cadburys brand name could help to boost sales.

Threats

* Overcrowding in the market could cause sales to fall for some brands.

* The unsuccessful Cadburys BrunchBar could cause sales for the new bar to fall.

* Product which doesn't meet customer demands, will most probably fail to succeed.

The above table shows many things Cadburys should be aware of when launching a new cereal bar, the main one which I feel could affect Cadburys would be the fact that other brands such as Kellogg's will most probably continue dominating the market. Although a few threats there are still many opportunities Cadburys should be looking out for such as ensuring they meet consumer demands therefore ensuring high sales.

PEST Analysis

The following list is of external issues which could have an affect on Cadbury, I will be listing down these problems in four main sections which are political, economical, social and technological factors, which focus on separate parts from outside of the business which could affect businesses such as Cadburys, this method is more commonly known through its acronym of PEST.

Political factors:

This is concerned with how political developments, regionally, nationally and internationally may affect a business.

The following is a list of political factors which could possibly affect Cadburys:

1) A change in the government may affect the capital of Cadburys, as it may decrease if the government introduces new policies and taxes, which would mean that they would have to pay more direct tax.

2) Political instability could also crop up in the UK. This could cause unrest within a country and could also even have an affect on people buying products from Cadburys, as fewer tourists may come to the UK.

3) If the government was to raise tax on businesses selling goods, this would affect Cadburys as they would have to pay more tax, as a result leaving them with less capital.

Economical factors:

This includes things such as:

* Government policy – Monetary policy and Interest rates

* Economic Variables – Inflation and Unemployment levels

The following is a list of economical factors which could possibly affect Cadburys:

1) If the government was to increase interest rates, this would mean companies wishing to expand would need to take out loans, leaving them to pay extra interest to the bank, which could also affect Cadburys.

2) Increasing interest rates could lead a business to raising its prices, therefore overcharging customers to pay for the extra interest, this could lead to customers buying from other major competitors, and this could also affect Cadburys as they may also need to charge extra to pay for the extra interests.

3) The level of inflation could have an affect on companies such as Cadburys, because if prices were too high this could affect consumer spending trends causing it to slow down, leaving the company with less profit.

4) If the level of inflation was to rise it could cause demand to fall, therefore leaving the business with less capital, which could have a huge affect on a business such as Cadburys.

5) Rise in inflation could leave a business with less capital, therefore companies such as Cadburys may lose workers as the human resource management department could also be affected with workers not receiving there correct wages.

6) Unemployment levels at a high level generally means that people within the UK would have less money to spend, this could affect Cadburys as customers may stop buying there product.

Social factors:

Factors from social factors which may affect businesses such as Cadburys could include things such as consumer trends.

The following is a list of social factors which could possibly affect Cadburys:

1) If the market is experiencing a rise in demand for cereal bars, then this would mean that Cadburys would need to employ more staff to help meet the consumers demand, therefore having to spend more money.

2) If demand was then to fall Cadburys would then have extra employees to pay for, therefore they would lose money as they would have too many workers.

3) The HRP in Cadburys may need to altered if there is a sudden demographic change, if there was an increase in say the over 50’s market, Cadburys may need to employ more over 50’s to encourage people to buy the product.

Technological factors:

Factors from technological factors which may affect businesses such as Cadburys could include things such as improving facilities.

The following is a list of social factors which could possibly affect Cadburys:

1) Purchasing products may have to be made easier, by introducing new technology to do so, this will help Cadburys to keep up with any other competitors in the market.

2) If demand was to increase, Cadburys would have to produce products more efficiently, which may mean buying more high tech and advanced equipment to do so.

3) If technology was to be brought or changed then someone would need to be trained to use the equipment, which would mean that Cadburys would have to pay more to train staff.