

Cadbury swot analysis



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SWOT Analysis – Strengths The Company's Long History. Cadbury Schweppes is one of the biggest beverage and confectionery companies in the world. With a history stretching back over 200 years, today their products are enjoyed in almost every country around the world.

Cadbury Schweppes plc was formed by our merger of these two great British household names in 1969. Since then they have expanded the business throughout the world by a program of organic and acquisition led growth. It was in 1783 that Jacob Scheweppe perfected his process for manufacturing carbonated mineral water in Geneva, Switzerland. John Cadbury opened in Birmingham in the UK in 1824.

Originally selling tea and coffee, it was, however, his marginal lines of cocoa and chocolate that, in just a few years, took over as the mainstay of the business and started the Cadbury success story. Cadbury Schweppes took the strategic decision in the mid 1980s to concentrate on our core international brands of beverages and confectionery and exit the general foods and hygiene sector with the sale of non-core brands such as Typhoo Tea, Kenco Coffee and Jeyes. Since then, we have strengthened our portfolio of key brands through the purchase of Mott's (1982), Canada Dry (1986), Trebor (1989), Bassett (1989), Dr Pepper and 7 UP (1995) and Hawaiian Punch (1999). The new millennium has seen us continue to make acquisitions concentrating our interests in North America, Europe and the Asian Pacific regions. Snapple and Hollywood were acquired in 2000, and in 2001 we became number two in the soft drinks market in France with the acquisition of Orangina.

In 2002 Cadbury Schweppes catapulted to joint number one position worldwide in confectionery and number two worldwide in chewing gum, first by buying Dandy, the Danish chewing gum company and, at the end of the year, announcing our proposed \$4.2 billion acquisition of Adams. The American Customer Satisfaction Index report rates Cadbury Schweppes as number 1 on the beverages market. Cadbury Schweppes plc Base-line 94 95 96 97 98 99 00 01 02 03 04 05 06 07 Previous Year % Change First Year % Change Cadbury Schweppes plc NM N/A 85 86 83 88 85 86 85 86 89 84 83 86 86 0. 0 1.

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86 N/A 87 86 83 83 82 85 84 86 83 83 82 86 84 -2. 3 -2. 3 All Others NM N/A NM NM NM NM NM NM NM NM NM NM NM 83 83 0. 0 0.

0 Cadbury Schweppes has been number one on the American Customer Satisfaction Index for two years in a row now, even though they are competing with world giants in the beverage industry, Coca-Cola and Pepsi. This yet again presents their excellence in the beverage industry from a different angle and from a different source. Acquisition of Dr. Pepper/ Seven Up Bottling group and distribution channels. On May 2, 2006, Cadbury Schweppes completed the acquisition of The Carlyle Group's 53% stake in Dr Pepper/Seven Up Bottling Group forming the Cadbury Schweppes Bottling Group. The Cadbury Schweppes Bottling Group (formerly Dr Pepper/Seven Up Bottling Group, Inc.

) is the largest independent manufacturer, marketer and distributor of well-known and widely-consumed carbonated and non-carbonated soft drinks in the United States. They service more than one-third of the U. S. population with operations in 25 states. They operate ten manufacturing plants, over 100 distribution centers and employ over 9, 000 employees.

The Company's portfolio of carbonated soft drinks (CSD) and alternative beverages consist of highly recognizable national brands that are in many cases the first or second ranking brand in their flavor or product category. Dr Pepper, Seven Up, A&W, Sunkist, Canada Dry, Schweppes and Squirt are a few of the leading CSD brands. The leading alternative beverages manufactured and/or distributed by the Company are: Snapple, Fiji, Arizona, Clearly Canadian, Glaceau and Deja Blue water. Also, the acquisition of SeaBevs, and independent bottler, strengthened the Company's route to markets in the South-East of the US. The Company's strong and highly valued organization culture.

Cadbury Schweppes' success relies on their people. The Company has a strong heritage in the way it respects its people and its social responsibilities. Some key facts and figures: ? They employ over 50, 000 people in over 60 countries. ? Currently women constitute 33% of the global workforce, 33% of out managers and 13% of our executive management team. Global staff turn-over is generally low, between 2% and 5% per year. Their ' people' practices are guided by our key values, which are to be open and honest, to act with complete integrity and to provide quality in products and services.

We value diversity and value employees from varied backgrounds as they enrich our culture and support our commercial success. Our diversity practice helps us to attract the best people to Cadbury Schweppes and allows us to reflect the diversity of the world around us better – our consumer base and the communities in which we operate. We aim to reflect diversity in both our workforce and in our leadership teams. Through a culture of inclusiveness, we also aim to inspire the best in our people, earn their trust, increase their engagement and promote pride in our company. Responsible business is underpinned by strong values and has a clear and compelling vision of where it is going.

Over many years Cadbury Schweppes has earned success on the strength of its distinctive values and clear vision. This update sets out the steps we are taking to ensure that in our present and future business, as in the past, we continue to live our values. Ultimately the Company's goals and those of their shareowners are similar; a responsible and well-run company that delivers consistently superior profits over the long-term. Performance driven, values led.

Good business and strong values go hand in hand. For our long term future, and that of all our stakeholders, it is in our mutual interests that we create a world in which our business will grow and thrive. A wide portfolio of products and emphasis on innovation and creativity. Cadbury Schweppes brands become old friends with whom our consumers have special relationships.

This makes the protection of their reputation an essential ingredient of our long term success. Cadbury Schweppes is also constantly seeking new and

innovative ways to satisfy the consumer's willingness to try new things. Whenever they develop a new product they have to build consumer awareness through advertising and promotion. Consumers want to be informed, whether to be reminded of their feelings about established favorites or to be told of new delights available for their enjoyment.

Their products fulfill a broad range of needs. They offer energy, taste, rewards and gift opportunities. Cadbury Schweppes caters for these fundamental needs in a range of products which offer a huge variety of ingredients and styles. Variety is important. In this business freedom of choice means not only the freedom to seek new combinations of old favorites, but also new experiences.

With choice, comes access to our products. Cadbury Schweppes makes sure their products are as widely available as possible, to ensure that they are always within an arm's reach whether as an impulse or a considered buy. To achieve this, they work with our customers in many different trade channels. How well they achieve the above determines how successful they will become in the market. Exiting markets and products where profitability is low. Cadbury Schweppes over their long history has had the tendency to focus more on the most productive and most profitable products and leave behind the ones that did not fit well with the Company's expectation.

This has definitely served them well and has made them more consistent in the eyes of the customers as a Company that delivers only the best products. Even before the merger in 1969, John Cadbury's business was tea, coffee, and cocoa, but it was the cocoa and chocolate that made him more

successful and therefore that was the area that he focused and specialized in. Another example was in mid 1980s, the Company decided to exit the general foods and hygiene sector with the sale of non-core brands such as Typhoo Tea, Kenco Coffee and Jeyes. They diverted the attention in the direction of purchasing and developing more successful brands such as: Motts, Canada Dry, Dr Pepper, 7-UP, etc. Efficient supply management of raw materials.

Cadbury Schweppes uses a wide range of raw materials in manufacturing our products, the main ones being cocoa beans, sugar and other sweeteners (including polyols and artificial sweeteners such as aspartame), dairy products (including milk), gum base and fruit and nuts. They buy the raw materials from about 40, 000 suppliers around the world. No single supplier accounts for more than 10% of the raw material purchases. The quality of these materials underpins the quality of the Cadbury products and they work with suppliers to maintain this. Ingredients suppliers are asked to meet the Cadbury standards and achieve independent external accreditation. In addition Cadbury Schweppes considers the standards within our supply chain in terms of ethical trade (labor standards), sustainable agriculture and environmental management.

They seek to minimize the impact of price fluctuations and ensure security of supply by entering into forward agreements and long-term contracts wherever available. In the case of cocoa, one of their main agricultural ingredients, they import cocoa beans from West Africa, primarily Ghana, and the Americas. West Africa accounts for over 60% of world production. The Company buys cocoa beans and cocoa butter from a range of suppliers, and <https://assignbuster.com/cadbury-swot-analysis/>

try to minimize the effect of cocoa price movements and secure our future requirements by entering into forward and future contracts. They have developed the Cadbury Cocoa Partnership to support and develop the livelihoods of farmers who provide our cocoa beans, helping to support them and the Company's supply chain for the future.

They are also developing sustainable agriculture strategies for other crops that are key to their ingredients supply such as sugar. Strong Financial backbone. Financial Highlights of 2007: ? Americas Beverage revenue grew 4% which is a really good performance in these challenging markets. ? Snapple Revenue grew 5% due to innovation. ? Underlying beverage margins impacted by the bottler acquisition and the launch costs of Accelerade sports drink.

? 2007 overall revenue was ? 7, 971 million, 7% increase from the previous year. ? Free Cash Flow was ? 527 million, compared to ? 472 in 2006.