

# THE SWOT ANALYSIS

## LITERATURE REVIEW

## **CHAPTER – III**

### **LITERATURE REVIEW**

This chapter presents a systematic attempt to review the research already taken place in this particular area and other such related areas.

SWOT has a long history as a tool of strategic and marketing analysis.

No one knows who first invented SWOT analysis. It has features in strategy textbooks since at least 1972 and can now be found in textbooks on marketing and any other business disciplines. It advocates say that it can be used to gauge the degree of “fit” between the organisation’s strategies and its environment, and to suggest ways in which the organisation can profit from strengths and opportunities and shield itself against weaknesses and threats (Adams, 2005). However, SWOT has come under criticism recently. Because it is so simple, both students and managers have a tendency to use it without a great deal of thought, so that the results are often useless. Another problem is that SWOT, having been conceived in simpler times, does not cope very well with some of the subtler aspects of modern strategic theory, such as trade-offs (De Witt and Meyer, 1998).

#### **Strengths**

Determine an organisation’s strong points. This should be from both internal and external customers. A strength is a “resource advantage”

relative to competitors and the needs of the markets a firm serves or expects to serve". It is a distinctive competence when it gives the firm a comparative advantage in the marketplace. Strengths arise from the resources and competencies available to the firm.

### **Weaknesses**

Determine an organisation's weaknesses, not only from its point of view, but also more importantly, from customers. Although it may be difficult for an organisation to acknowledge its weaknesses it is best to handle the bitter reality without procrastination. A weakness is a "limitation or deficiency in one or more resources or competencies relative to competitors that impedes a firm's effective performance".

### **Opportunities**

Another major factor is to determine how organisations can continue to grow within the marketplace. After all, opportunities are everywhere, such as the changes in technology, government policy, social patterns, and so on. An opportunity is a major situation in a firm's environment. Key trends are one source of opportunities. Identification of a previously overlooked market segment, changes in competitive or regulatory circumstances, technological changes, and improved buyer or supplier relationships could represent opportunities for the firm.

## Threats

No one likes to think about threats, but we still have to face them, despite the fact that they are external factors that are out of our control, for example, the recent economic slump in Asia. It is vital to be prepared and face threats even during turbulent times. A threat is a major unfavourable situation in a firm's environment. Threats are key impediments to the firm's current or desired position. The entrance of new competitors, slow market growth, increased bargaining power of key buyers or suppliers, technological changes, and new or revised regulations could represent threats to a firm's success.

Because SWOT is such a familiar and comforting tool, many students use it at the start of their analysis. This is a mistake. In order to arrive at a proper SWOT appraisal, other analyses need to be carried out first.

- Since opportunities and threats mostly arise from the environment, SWOT analysis needs to take account of the results of a full environmental analysis.
- It is impossible to gauge what an organisation's real strengths are until you have assessed its strategic resources – in fact, strategic resources and strength are the same thing. There is a tendency for students to put down anything vaguely favourable that they can think of about a company as a strength. This temptation needs to be resisted - a strength is not a strength unless it makes a genuine

difference to an organisation's competitiveness. The same is true of weaknesses.

For example, look at Southwest Airlines and Amazon.com. Both companies have important groups of potential customers to whom they offer poor service. Southwest ignores business passengers, and will not accept transfers from other airlines. Amazon makes people wait days to receive books that they can obtain instantly from their neighbourhood bookstores, and pay a delivery charge for the privilege. Surely, these are major threats. Southwest and Amazon have chosen not to give those customers priority. Serving them would divert resources from the firm's core markets, and dilute service to their main customers. Not serving them is certainly not a weakness; in a paradoxical way, it may be a strength.

The wizardry of SWOT is the matching of specific internal and external factors, which creates a strategic matrix and which makes sense. It is essential to note that the internal factors are within the control of organisation, such as operations, finance, marketing, and other areas. On the contrary, the external factors are out of the organisation's control, such as political and economic factors, technology, competition, and other areas. The four combinations are called the maxi-maxi (strengths/opportunities), maxi-mini (strengths/threats), mini-maxi

(weaknesses/opportunities), and mini-mini (weaknesses/threats).

Weihrich (1982) describes the four combinations as follows:

1. Maxi-maxi (S/O). This combination shows the organisation's strengths and opportunities. In essence, an organisation should strive to maximise its strengths to capitalise on new opportunities.
2. Maxi-mini (S/T). This combination shows the organisation's strengths in consideration of threats, e.g. from competitors. In essence, an organisation should strive to use its strengths to parry or minimise threats.
3. Mini-maxi (W/O). This combination shows the organisation's weaknesses in tandem with opportunities. It is an exertion to conquer the organisation's weaknesses by making the most of any new opportunities.
4. Mini-mini (W/T). This combination shows the organisation's weaknesses by comparison with the current external threats. This is most definitely defensive strategy, to minimise an organisation's internal weaknesses and avoid external threats.

### **Cadbury Schweppes Strategic Report**

The paper reports on Cadbury Schweppes describing the present confectionary market, providing information about the company's organisation and structure, product development process, corporate governance, current strategy, market competition, etc. The models of Porter's five forces, PESTEL and SWOT are used; strategic recommendations to the company management are suggested.

### **Salmonella contamination ruins Cadbury Schweppes**

The paper examines the history of Cadbury Schweppes in the UK reviewing their major acquirements and launches, and reporting on the scandal around the recent discovery of salmonella bacteria in their chocolate products. Bio-medical information about Salmonella is presented; the activities of the Health Protection Agency (HPA) are described; the legal and trade implications of the salmonella contamination for the company are evaluated.

### **Public Relations: Reputation Audit for Cadbury**

The paper examines the issues of Cadbury's reputation defining the concept of reputation audit, describing the company's history, competitors, their position in the UK confectionary market, target audience, etc. The recent Cadbury's problems caused by salmonella contaminated chocolate bars are discussed offering the situation

analysis and focusing on the company's image. Marketing strategies are suggested to resolve the problems and restore Cadbury's reputation.

### **Analysis of Cadbury Schweppes PLC**

The paper reports on Cadbury Schweppes examining the linkages aimed to improve customer value and the activities of the value chain. Analysis of the company is conducted using PESTEL model, Porter's Five Forces model, SWOT model, BCG matrix, etc.

### **SWOT Analysis of Cadbury Schweppes**

This paper presents overview of Cadbury Schweppes and SWOT Analysis which is analysing strengths, weaknesses, opportunities and threats of Cadbury Schweppes.

### **PESTEL Analysis of Cadbury Schweppes**

This paper presents overview of Cadbury Schweppes and PESTEL Analysis which is analysing Political, Economic, Social, Technological, Environmental, and Legal factors affecting Cadbury Schweppes.

### **Negative Brand Equity and the impact on Customer Loyalty. Case of Cadburys**

The paper examines the impacts of the recently reported salmonella contamination on the Cadburys' chocolate brand addressing the issues of health care in the UK, and discussing theoretical approaches to brand loyalty, corporate social responsibility (CSR), crisis management,



etc. Factors relevant to the relationship between the consumer and the brand are outlined.

### **Strategic Report on Cadbury Schweppes**

The paper reports on Cadbury Schweppes presenting the company's history, background, market overview, internal and consumer audit. Cadbury's products are described consumer behaviour towards chocolate is discussed. Analysis of Cadbury is performed using SWOT, PEST, Ansoff's matrix, etc. Marketing mix strategy for Cadbury is developed.

### **Dissertation. Analysis of Cadbury Schweppes in UK**

The dissertation reports on Cadbury Schweppes beverage and confectionery company focusing on their operations in the UK and applying a deductive research approach to the analysis of secondary data presented in the review of literature. Theoretical underpinnings of the research include a review of analytical models, i.e. PEST, Porter's Five Forces, Value Chain, Ashridge Mission , Ansoff's model, etc. applied to the study of the chocolate confectionery industry and Cadbury. The issues of Cadbury's corporate social responsibility (CSR) are discussed; trends in their future development are identified and provided with strategic and practical recommendations.

### **Ethical audit of Green & Black**

The paper reports on the chocolate company Green & Black (G&B) reviewing their history, analysing their position after the acquisition by Cadbury Schweppes in 2005, and focusing on the company's ethical stance. Kantian ethical theory is reviewed discussing the 'ethics of duty', the 'ethics of rights', the 'ethics of justice', 'virtue ethics', etc., and applying it to the practices of Cadbury Schweppes after the take-over of G&B. General issues of business ethics are addressed.

### **Cadbury Schweppes' dividend policy and financial valuation models**

Dividend Policy of Cadbury Schweppes: Dividend refers to the part of a company's after tax earnings which are distributed to shareholders. There are several ways to classify dividends. First, dividends can be paid in cash or as additional stock. Stock dividends increase number of shares outstanding and generally reduce the price per share.

### **Cadbury's corporate and marketing objectives in launching new product**

The paper reports on the plan to launch a new chocolate brand 'Suspense' by Cadbury's providing information about the company's business, customers, management, stakeholders, etc. The issues of chocolate marketing are discussed focusing on promotional strategies.

## **Cadbury Schweppes: PESTEL, Porter's five forces and SWOT**

### **(global perspective)**

The paper examines the competitive environment in which Cadbury Schweppes, one of the world's leading companies in confectionary and beverage industry, is operating through an in-depth PESTEL analysis. The critical analysis of the industry is presented with the help of the Porter's five forces. An analysis of the company's strengths and weakness alongside the opportunities that the company can capitalize on and the threats it could face is presented through the SWOT analysis.

### **Report on Cadbury Schweppes**

The paper reports on Cadbury Schweppes soft drinks and sugar confectionery operations reviewing the company's history and background, and conducting their analysis using the models of the Industry life cycle, Porter's 5 forces, PEST, internal analysis of resources and capabilities, key success factors, strategic options, etc. Recommendations are offered in the areas of corporate culture and human resource management.

## **Domestic and International marketing mix analysis: case study of**

### **Cadbury**

The paper examines the differences between international marketing mix and domestic marketing mix using the example of Cadbury

Schweppes in the UK and overseas. A case study of Cadbury India Ltd is offered including an external market analysis of India, SWOT analysis for Cadbury Schweppes, an overview of Cadbury India and their entry strategies.

### **Unilever Vs. Cadbury Schweppes: Financial Analysis for the investment purpose**

Firstly the paper presents brief backgrounds for each of the companies, then analyses different financial ratios of both companies, looks at the dividend policies, cash conversion cycle, presents up-to-date analysis and outlines brief conclusion and recommendations on where to invest.

### **Cadbury advertising and promotion campaign**

This paper performs advertising and promotion campaign for Cadbury brand dairy product together with the Children Heart disease charity Federation. The brand synergy with the charity federation was performed in order to gain back Cadbury's credibility after the criticism of previous chocolate campaign, which was said, encouraged children to obesity. This promotion campaign would help to create trust to Cadbury brand as children health caring. The promotion campaign was developed through the following stages: firstly, the UK dairy product market situation was explored in terms of the product value and volume, the key consumer's age groups and the age trends, the main competitors and their market shares. Next the campaign's objectives

were defined. Then, the advertising activity was developed. Sales promotion, PR and publicity activities were also evaluated. Budgeting was calculated with the account for media tools choice and promoting activity frequency. The campaign integration against the objectives was developed, and post - campaign measurement was performed. Finally, a short conclusion highlighted the report's key issues.

### **Cadbury Schweppes PLC: SWOT and Porters 5 forces analyses**

This paper provides overview into the Cadbury Schweppes PLC and presents SWOT analysis and Porters 5 forces analysis of Cadbury Schweppes PLC

### **Analysis of Cadbury Schweppes PLC**

This report discusses and explains the different parts of the company profile and critically reviews and analyse the information sources used. Firstly, the report outlines the brief introduction of the Cadbury Schweppes PLC, its background and critical review of information sources used. After that, the profile is presented which provides an analysis of the relationship with other companies and gives financial data and information on the competitor's market share. Moreover, the scenario of the future of the Company is presented.

### **Marketing management in a globalising world: case study of Perrier**

The paper reports on the bottled carbonated water brand Perrier, analysing their competitive environment using Porter's 5 Forces model, examining the demographic segmentation and target groups of their market, conducting the company's SWOT analysis and discussing their global strategy

### **Report on Nestle**

The paper discusses a case study on Nestlé, the global food and beverage giant, from a strategic management perspective. Various aspects of strategic management have been discussed in detail in the analysis of the case. The critical analysis focuses on Nestlé's growth efforts in emerging markets, business development strategy, global operational strategy, and overall management structure. There is also some analysis of whether the strategies adopted by Nestlé are strategically sound and effective.

### **Nestle and L'Oreal Joint Venture Case Study: Managerial Economics**

The report has been aimed at producing economic analysis for two different cases of Nestle. The first case deals with the joint venture product with L'Oreal i.e. Innevo Firmness, which is aimed to improve skin tone of older people and has the competitive advantage based on new skin ingredient, Lycopene. The short term Total Cost (TC) function is given and a step by step calculation along with explanation for Fixed

Cost (FC), Average Total Cost (ATC), Total Variable Cost (TVC), Average Variable Cost (AVC) and Marginal Cost (MC) has been provided. The dynamics of MC curve and AVC curve has also been explained in depth. The second case study deals with the purchasing decision of Prolan, a cat food brand by Nestle. The project appraisal techniques like After Tax Net Flow (NCF), Net Present Value (NPV) and Internal Rate of Return (IRR) have been used.

**Boycotting the 'Baby killers'? Nestle and the ongoing infant formula controversy (Crane & Matten 2004)**

The paper addresses the issues of business ethics looking at its theoretical foundations, reviewing Crane and Matten's ethical criticism of Nestlé's marketing of infant formula in developing countries, discussing the WHO code of conduct, etc.

**SWOT Analysis of Nestlé**

This paper presents overview of Nestlé and SWOT Analysis which analyses strengths, weaknesses, opportunities and threats of Nestlé.

### **Environment Sustainability in Nestle**

The paper examines the indicators of environment sustainability (ES) analyzing ES indicators in Nestle. An overview is presented of the company's current performance, supply chain and business processes

### **Nestle's infant formula: ethical issues**

The paper examines the ethical aspects of the Nestlé's infant formula reviewing critical attitudes towards it and discussing consumer rights against misleading and deceptive products. Theories of egoism and utilitarianism are reviewed. The effect of the boycott upon Nestle is argued.

### **Report on the Nestle UK Business Environmental Analysis**

Each business organisation wants to get the short term high rate of return, so they have to find the effective and efficient strategies for continuous development. All business organisations operate within the business environment which shapes their operations and decisions. If get the good understanding of the business environment where the firms operate, it will be helpful to make strategies in the future. The report will give a brief introduction of the chosen firm - Nestlé UK Ltd especially in the aspect of Nescafé. Then it will be focusing on the food processing industry and the Nescafé to analyse their business environment under LE PESTC framework (Legal, Economic, Political, Ecological, Socio-cultural, and Technological & Competitive). In



addition, it will also explain the different environment with the different aspects that influence the business in the different environment.

### **Evian and Vittel bottled water: marketing communications**

The paper examines the issues of marketing communications in the bottled water market reporting on the bottled water consumption in Europe and in the UK, and focusing on Evian and Vittel brands. The companies' marketing communications strategies are discussed including print advertising, sales promotion, packaging designs, sponsoring, etc. Recommendations about marketing communications strategies are offered.

### **Improving Nestle brand image**

The paper reports on the strategy used by Nestle in restoring their negative brand image in South Africa that resulted in an international boycott of Nestle products in 1970s - 1980s. The company's measures to improve their position are discussed including their close cooperation with WHO (World Health Organization), the changes in the marketing strategy, their PR (public relations) promotion programme, the ways of creating a positive image for their subsidiary 'Carnation' in the USA, etc. Recommendations are offered about Nestle's strategic development.

### **Nestle: purchasing and supply chain operations**

The paper reports on the Nestle purchasing and supply chain operations reviewing the company's corporate objectives, operations planning, forecasting practices, material requirements planning (MRP), purchasing systems, supply chain functions, coffee supply chain characteristics, Just-In-Time (JIT) system, value adding, inventory management, etc.

### **Marketing campaign of Nescafe Frappe**

The paper offers a plan of a direct marketing campaign to promote Nescafe Frappe presenting an overview of coffee consumption in the UK, Nescafe's competitors, target audience, etc. A pilot study is conducted reporting on the design of the products packaging, the positioning of Frappe shake, the timetable of events for the campaign, the analysis of costs, etc.

### **Nestle Milkpak's image: problems and recommendations**

The paper reports on public relations (PR) practices in Nestle Milkpak Corporation identifying their target audience and the negative aspects of their current image. A PR plan is suggested to improve the ethical standards of the company's infant formula and rebuild the positive image of the corporation.

### **Market positioning of Nestles Yorkie chocolate: critical analysis**

The paper reports on the repositioning of the Nestles product Yorkie chocolate bar originally targeted at mens audience. Literature on strategic market positioning and perceptual mapping is reviewed; Nestles marketing of the product is critically analysed.

### **Marketing plan for Nestl  boxed chocolates in the UK market**

Nestl  UK Ltd is a major manufacturer in the chocolate industry in the UK. Within chocolate market, the boxed chocolate sector is the second largest, accounting for around 26% of sales in 2004. However, the boxed chocolates market shows less concentration than the total chocolate confectionery market, with a number of smaller players taking shares from the big manufacturers. This piece of work produces a marketing strategy for Nestl  boxed chocolates in the UK market to maintain its market shares upon analyzing the companys current situation, combined with SWOT analysis.

### **Nestle competitive Environment**

This report focuses on an analysis of Nestle, manufacturers in food, pet foods and bottled water; it is presented in four sections. A PESTLE analysis of the industry; and then an analysis of the industry using Porters Five Forces of competition. The report discussed the strategic alliances that Nestle has developed. The report concludes with a SWOT of Nestle. The report has found that Nestle have developed

considerable competitive advantage through their policies of globalisation and product development. Their globalisation strategy allows the regional managers a high degree of autonomy, allowing local preferences to be catered for and comparative advantage to be exploited. Nestle have also developed strong strategic alliances which have assisted their sources of supply and developed strong barriers to consumers switching brands, such as Nespresso machines. The SWOT analysis demonstrates that the company has very few weaknesses.

#### **Risk assessment and analysis Foreign Direct Investments for Nestle Group**

The paper firstly presents a background of the Nestle Group, then presents SWOT and PEST analyses. After that the paper assesses the Political and Foreign Exchange Risk for the Group and evaluates FDI

#### **Master Dissertation. Investigation of Brand Equity of Nestle**

This dissertation aims to investigate Brand Equity of Nestle and analyse the ways Nestle uses its Brand Equity to enhance its performance through line extensions. Literature review of the dissertation provides overview and analysis of UK confectionary market and theories of branding. This dissertation contains methodology and primary research which consisted of both qualitative and quantitative researches. Analysis of Findings section draws important conclusions regarding the study. Please contact us for more information on this dissertation.

## **PEST and Porter analysis of Nestle and KJS (Kraft Jacobs Suchard)**

This paper presents overview of Nestle and overview of KJS, which are followed by the detailed PEST (environmental) analysis and Porter's 5 forces (competition) analysis.

## **Masters Dissertation. The effect of spam on brand image:**

### **A comparative study of the UK and US**

With the proliferation in Internet usage across the globe, unsolicited commercial email (UCE), otherwise known as spam, has grown in more than equal measure. It has not only become a nuisance to individuals but commercially costs businesses tens of billions of dollars each year. The question has to be asked: Why do some businesses continue to use UCE as a method to build their brands and what effect is this having? In order to understand the effect of spam on brand image, interviews were conducted with individuals and employees of firms who have received spam. The results were analysed and discussed in light of the literature review. The literature review contrasts the effect of spam in the US and UK, the former being far less restrictive than the UK, where non-permission based email is now illegal. It also provides a comprehensive review of the literature on brand image, traditional and relationship marketing, customer loyalty, the buying process, UCE as a marketing technique, and permission-based and opt-out email policies.

This dissertation would be useful for anyone interested in branding and the effect of spam, or other related issues such as traditional and relationship marketing, customer loyalty, the buying process and permission-based marketing, which are comprehensively covered. It is also useful in highlighting how to perform and analyze primary research and then apply those findings to the literature that has been set out.