SWOT Essay, Research Paper

Question A ? Analyse Market opportunities using S.W.O.T analysis.

STRENGTHS

• Meadow Lea is regarded as an icon brand ? awareness is high and it has been a top selling brand for 26 years. Consumers clearly understand that that it is positioned as a family brand.

• ?You ought to be congratulated? is an icon ad campaign, appearing in various guises on T.V screens since June 1977. ? Few people under the age of 50 cannot sing the Meadow Lea jingle.

• Meadow Lea has been the market leader since 1973.

• There is a large amount of capital available for Goodman to pump in to Meadow Lea?s advertising budget. In 1995-1998 Goodman doubled Meadow Lea?s advertising budget to $3 Million.

• New low-fat recipes

• Goodman invested heavily in new machinery which mad the production process more efficient.

• Lisa Miles was employed by Goodman in July 1997 as Meadow Lea?s Marketing Director. She has had fifteen years experience and ??knows her way around the labyrinth of marketing.

WEAKNESSES

• Consumers have started to see Meadow Lea advertising as old-fashioned and irrelevant, a perception that could have harmed sales.

• 3% price increase in Meadow Lea, gave Unilever (a close competitor, the maker of Flora margarines) the opportunity to gain market share since July last year.

• Meadow Lea is seen as a mainstream family brand, although Justin Miles (Meadow Lea?s marketing director) claims that recent advertising has confused consumers. ?Meadow Lea is al about mums and kids?, she says. ?It is mainstream in terms of appeal and taste. It is never the brand that brings product innovation to the category.?

• Research showed that the poor marketing strategy regarding the ?Muffins? and ?Cyclist? ads did not appeal to consumers ? ??consumers did not like them and thought that they were condescending to mothers.?

OPPORTUNITIES

• With Australian economic conditions as they are (Australian public share ownership at an all time high and Interest rates also high) should Goodman need to raise expansion capital the stock exchange is in a good position to do so.

• Demographic patterns in Australia show that people are leading much healthier lifestyles ? therefore there lies an opportunity in low-fat and diet margarine products even though the margarine market is slowly contracting.

• Substitute products competition – The only market segment in ?yellow-fat? spreads that has grown is dairy blends (which rose last year by 4.3%). This would be an easy market to penetrate as it is not highly competitive and is closely related to Meadow Lea?s existing products.

THREATS

• Changing consumer trends to live healthier lifestyles, and therefore buy less margarine and butter products.

• Margarine is a mature category. There are some growth pockets, such as low fat products but the overall market is shrinking. (In the past five years margarine sales have fallen an average of 4%, this can be stipulated due to consumers continually choosing healthier, low fat eating habits.)

• Competitors (mainly Flora?s) ability to lower retail cost of their products