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Oreo

When we began researching Nabisco's Oreo cookie product back in January, the first place we went for direction was to Oreo's mission statement, which stated, "We want our consumers to regard us as their primary snack food. We want our consumers to know that we have their wants and needs in mind along with working to create products that will cater to their health conscious lifestyles." This immediately provided an inside look to the way Oreo wished to position itself in the eyes of the consumers. Oreo dabbled mostly in market penetration and product development to achieve its growth. In terms of market penetration, Oreo allocated large quantities of money on advertising that was adjusted with the changing market climate and impacted upon each of its ever-developing market segments. This was crucial for the expansion of the Oreo brand, as expectations from the marketplace steadily increased over time from its producers. This is accounted for Oreo's classic cookie becoming more and more present on a variety of forms of social media in efforts to discover new and enhanced ways to reach its target markets. In terms of product development, Oreo identified new ways with each passing year to introduce enhanced products with a variety of new and exciting flavors in order to keep consumer demand in a peak state.

Another significant aspect of our analysis of the Oreo brand was a thorough examination of how macro-environments affected Oreo over the past years until today. The demographic, economic, natural, technological, political and cultural environments had a major effect on sales and on the demands of most brands in their industries. For a company like Nabisco selling the

Oreo cookie, we discovered that the developing cultural environment was the biggest concern. More and more, people were seeking brands of foods that represented a health-conscious lifestyle. Being that Oreo cookies are a calorie-rich, fairly unhealthy snack choice, this is a macroenvironmental factor that will most likely continue to have substantial negative effect on the Oreo brand. We also took a deeper look into the ways that Oreo created a marketing mix to satisfy the wants and needs of its various target markets, along with the existing specific target market strategy of Oreo. In addition, we studied Oreo's position in the market and measured its overall brand strength using Young & Rubicam's Brand Asset Valuator. We argued that Oreo was a very strong and competitive brand in the snack food industry, with little to no downfalls. This stemmed from Oreo's absolute superiority in the areas of relevance, esteem, and knowledge.

Along with a complete analysis of the company's marketing mix and target market strategies, we also performed thorough research on Oreo's advertising efforts, both everyday advertising and yearly campaigns. The part of Oreo's advertising that was most intriguing was the way Oreo focused its social media platforms and campaigns on currents events and trends. Truly, there was a new Oreo cookie and advertisement for almost every significant holiday and for many noteworthy events around the country. We even had the opportunity to examine some of Oreo's most famous historical campaigns and compared them to today's campaigns on Oreo's social media platforms. We agreed that this brand's superior strength in advertising overshadowed that of other brands and companies in the industry. Oreo's unique and quirky advertising style instills suspense, intrigue, and satisfaction in the various target markets. This approach had great value in promoting the Oreo brand. Overall, we concluded that Nabisco's Oreo cookie is a product supported by marketing strategy and mix.

The Mondelēz Company has many sources of strong economic support, including nine-billion dollar brands (one of which is Oreo) and several brands with annual revenues over $100 billion. Mondelēz also has a presence in many overseas countries, where it is routine that the company modifies core products to make them a better fit for local tastes. Another strength of the Mondelēz company is the fast-growing snack product industry, albeit in the midst of a recent slowdown within the snack market. Mondelēz's ability to maintain a strong reputation during this decline served as a sense of durability for the company. The steadily growing revenue helped Mondelēz reduce the debt-to-capital ratio, repurchase stock, and pay a modest dividend.

While the Mondelēz Company has many strengths, it also has weaknesses. For example, the company struggles with the market in some overseas locations. India has some capacity constraints and Brazil and Russia had recent pricing missteps. These pricing missteps enabled low-cost rivals to steal business, which impacted upon Mondelēz's overseas sales in those countries. In addition, there is a concern over the declining gum sales across companies. Mondelēz, whose sales of gum, along with candy, comprise 15% of the sales mix, had a persistently weak spot in the sale of gum. Although declines seem to be diminishing, it is unclear when efforts to reverse market share loss will finally pay off.

Emerging opportunities for Mondelēz are the rising opportunities in the market. About 40% of the top line comes from developing markets, which puts Mondelēz on par with the Coca-Cola Company. The snack maker also, despite hiccups in some countries, continues to invest heavily abroad. Even in India, Brazil, and Russia, the Mondelēz company has taken action to right their wrongs and to improve their products in these countries. These oversea efforts included, but were not limited to; (a) committing over $70 million to gum production in Russia; (b) announcing a new chocolate factory in Brazil; and (c) pledging more than $190 million to build a multi-category manufacturing plant in India.

Lastly in the SWOT analysis, a threat to the Mondelēz Company, as to other food processors, is the rising input costs. Mondelēz's biggest threat is the estimated rise in coffee prices. Due to draught and fungus infestation in Brazil, the price of coffee bean prices is expected to rise significantly in the coming months. Price competition from smaller, regional brands is also a rising concern. Although price competition is always a constant concern, it is important that the company remains innovative, carefully monitors any price gaps, and maintains a robust advertising budget. Hopefully, a share erosion, which has emerged in the past, can be avoided.

In closing, the positive aspects in the Mondelēz International Company appears to outweigh the negative aspects, as shown in correspondence with the SWOT analysis. We postulate that Mondelēz International will continue to have a vast presence in developing nations, as well as an enhanced capital return (Hellman, 2014).

Bibliography:

Hellman, J. (2014). *Mondelez International: A Short SWOT Analysis.* Retrieved from http://www.valueline.com/Stocks/Highlights/Mondelez_International__A_Short_SWOT_Analysis.aspx#.XMpWypNKhmD