

## Dr. Pepper Snapple

### S.W.O.T ANALYSIS

#### Strengths:

**Solid brand portfolio & market position:** Overall Dr. Pepper Snapple is the number one company in the non-cola carbonated soft drink market. Dr. Pepper ranks number two carbonated soft drink and Snapple is currently the leading ready to drink tea on the market.

**Strong customer relationships:** Dr. Pepper Snapple has well established long term relationships with a many of the Company's major customers. These customers include distributors and bottlers, convenience store customers and many food service providers.

**Integrated business model:** The combination of bottling, distribution, and brand ownership ultimately provides Dr. Pepper Snapple with a competitive advantage by giving them more control over the value chain.

#### Weaknesses:

**Minor compared to larger peers:** Dr. Pepper Snapple relies on third party bottlers such bottlers affiliated with Coke and Pepsi for packaging and distribution. (This could potentially cause costs to rise in the near future)

**Focus on carbonated soft drinks rather than fast growing segments:** Although Dr. Pepper Snapple does offer a few non-carbonated alternative drinks their advertising efforts are more focused on carbonated drinks. Other companies are taking advantage of the fast growing segments such as: energy drinks, sports drinks, and enhanced waters.

**Lack of International Exposure:** Presently, Dr. Pepper Snapple is not drawing in significant revenues from outside North America.

#### Opportunities:

**Expansion into international markets:** Coca-Cola which derives about 76% of revenues from outside North American, if Dr. Pepper Snapple expanded internationally they could see similar results.

**More acquisitions and alliances:** Will help Dr. Pepper Snapple gain more market share.

**New Product line extensions:** One of the best ways Dr. Pepper Snapple can grow is by offering product line extensions in high margin/high growth segments, including energy drinks, sports drinks, and other functional drinks.

#### Threats:

**Loss of partner bottlers:** If Coca-Cola and Pepsi obtain their affiliated bottlers thus making them wholly owned subsidiaries; costs will increase for Dr. Pepper Snapple.

**Consumer preferences and trends:** With the current health craze less people are going to be buying carbonated high calorie drinks.

**Shortages and price increases in commodity items:** This is a huge threat because commodity items are needed in order to make the products. For example if there is a shortage of sugar this will greatly affect the company.

	<b>External Opportunities (O)</b> 1. 2. 3. 4.	<b>External Threats (T)</b> 1. 2. 3. 4.
<b>Internal Strengths (S)</b> 1. 2. 3. 4.	<p style="text-align: center;"><b>SO</b> <i>"Maxi-Maxi" Strategy</i></p> Strategies that <b>use strengths to maximize opportunities.</b>	<p style="text-align: center;"><b>ST</b> <i>"Maxi-Mini" Strategy</i></p> Strategies that <b>use strengths to minimize threats.</b>
<b>Internal Weaknesses (W)</b> 1. 2. 3. 4.	<p style="text-align: center;"><b>WO</b> <i>"Mini-Maxi" Strategy</i></p> Strategies that <b>minimize weaknesses by taking advantage of opportunities.</b>	<p style="text-align: center;"><b>WT</b> <i>"Mini-Mini" Strategy</i></p> Strategies that <b>minimize weaknesses and avoid threats.</b>