

A Study of Mondelez's Promotion Strategies Based on the SWOT Analysis

Jinsong Liu^{1,a,*}

¹*St. Thomas More School, Oakdale, 06370, the United States*
a. zhangjie19871130@tzc.edu.cn

**corresponding author*

Abstract: While often overlooked, the snack industry is a quintessential aspect interweaved into almost all aspects of American society. Researchers have found that the snack industry is developing in digital media, but there are still research gaps in the industry's development prospects. As such, this essay analyzes Mondelez Food Company, exploring Mondelez Food Company's current promotional strategy and market position, arguing that Mondelez Food Company's highly successful visibility and influence is due to excellent digitalization marketing. Platforms and advertising, as well as the addition of new markets and expansion of existing markets, have helped the company's finances maintain a healthy growth rate. Mondelez's current strategy includes highlighting the company's brand image and outstanding digital media presence, both of which have now helped the company serve as a consistent leader in the snack industry. In particular, SWOT analysis shows that Mondelez's advantages lie in its good financial status, brand image and advertising. In contrast, some factors that may potentially cause harm to the company's future rising costs, fierce industry competition and health problems caused by products. However, this paper will demonstrate that product diversification, expansion into emerging markets and finding lower-cost alternatives could help the company grow further.

Keywords: Mondelez, Oreo, marketing strategy, digital platform, SWOT

1. Introduction

In today's fiercely competitive food industry, companies must continue to innovate and implement effective marketing strategies. As one of the leading food companies in the industry, Mondelez's success is inseparable from its excellent marketing strategies. This article will explore Mondelez Foods, the parent company of popular household brand name Oreo, to thoroughly analyze Mondelez's market positioning, study Mondelez's positioning strategy and brand image in the global market, and then focus on Mondelez's digital marketing. With a legacy spanning over a century, Mondelez International is a prominent entity within the food and snacks sector representing, iconic brands such as Oreo, Chips Ahoy, Halls and Cadbury Throughout this time, its reputation has been solidified through consistent product taste and quality e Oreo cookie, in particular, has garnered immense popularity in the 21st century, attributed to its distinctive flavor profile, characterized by a rich chocolate essence strongly raved by customers. This cult-like following is further corroborated by Mondelez's adept utilization of dynamic and inventive marketing strategies, is known for. In order to accurate evaluate Mondelez's current market positioning, a comprehensive SWOT analysis is critical,

including an in-depth study of the strengths, weaknesses, opportunities and threats of Mondelez's strategic prospects. Among the many brands of Mondelez, Oreo's brand promotion strategy on online media is notably innovative and multi-faceted, with the Oreo brand's promotional endeavors on digital media platforms standing out for their creativity and multifaceted approach. Mondelez Food Company has incorporated various elements to build brand awareness, drive sales, and promote consumption. Finally, this paper will analyze the impact of these efforts on Oreo at this stage, and provide suggestions in four aspects: strengths, weaknesses, opportunities and threats for this SWOT analysis.

2. Trademark History

On March 6, 1912, the exquisite combination of chocolate-flavored wafers and rich cream filling gave birth to Oreo. Its unique taste, intense chocolate flavor, simple recipe, and rich texture quickly captured consumer preferences, making it a market sensation at the time. Currently managed and operated by Mondelez International, Oreo stands as a globally renowned snack brand. A pivotal moment in Oreo's history occurred in 1974 when Samuel J. Porcello, a prominent American food scientist and one of the world's leading chocolate experts, invented a special method for producing Oreo. This method involved sandwiching a cream-like filling between two cookie wafers, significantly boosting production efficiency and lowering costs. Oreo biscuits are now distributed to over 100 countries, with more than 18 countries hosting Oreo factories. The brand produces 40 billion cookies annually. Oreo, known for its unique taste, rich chocolate, simple recipe, and diverse promotional strategies, remains a highly popular cookie brand worldwide. Its success is attributed not only to its appealing characteristics but also to the multifaceted and creative promotional strategies employed by Mondelez. Currently managed by Mondelez International, Oreo engages in high-level customer interaction through digital platforms, accumulating a large customer base and receiving predominantly positive reviews. Oreo biscuits are available in over 100 countries, with Brazil serving as the hub for quality chocolate production. The company ships its products to more than ten countries, including the United States, Colombia, Morocco, Argentina, among others. With 800,000 retail points, Oreo has been the world's top-selling cookie brand since 2014.

2.1. Mondelez International's Marketing Strategy

Mondelez International's marketing strategy encompasses various aspects, including continually building brand awareness, driving sales, and encouraging consumer engagement. Firstly, Oreo's brand positioning is characterized by high-quality, premium, stylish, and youthful leisure food. The brand positioning of Oreo can be analyzed using the STP theory. Mondelez International segments the market into different groups based on consumer age, gender, geographical location, and consumption habits, such as children's and teenagers' markets. The target market for Mondelez is positioned towards consumers who appreciate sweets, seek convenience and innovation, and thus focusing on the youth market active on digital platforms and the family market of adults making household purchases. Oreo's main product design emphasizes unique taste, variety, and innovation, establishing a positioning image of high-quality diversity and fun in the market through digital media promotion. Oreo excels in establishing emotional connections with consumers through brand imaging and advertising, portraying a joyful and family-associated image. The STP theory analysis also helps Oreo better understand consumer needs, precisely target the market, and achieve sustained brand development through effective promotional strategies.

2.2. Mondelez International's Excellence in Digital Media

Mondelez International, particularly Oreo, has excelled in digital media, with strong presence on platforms like Facebook, Instagram, YouTube, and Twitter. Beyond harnessing millions of followers,

the company differentiates itself by actively listening to consumer opinions, providing quality customer service, and maintaining a positive online reputation through constant engagement [1]. Mondelez International frequently develops promotional activities on digital platforms to enhance consumer interaction and stimulate purchase desires, attracting a significant customer base to buy Oreo products [2].

2.3. Innovative Promotion on YouTube

Oreo's promotion on YouTube is notable to emphasize. The 4I theory can be used to analyze the marketing of Oreo. The first is the impact. Due to the long-standing brand history and reputation Oreo has started with a solid foundation and has only become more population. Coupled with excellent advertising and brand image, product quality and digital platform marketing, Oreo has quickly grown to become one of the leading brands in the market. At the same time, Mondelēz also often conducts sales activities and advertising campaigns to continuously increase the brand's visibility and influence. Furthermore, innovation is also critical. Mondelēz continues to improve its products, providing more flavors to choose from, and constantly meeting the needs of different consumer groups to expand the Oreo market. Mondelēz also constantly collaborates with other bloggers on digital media and launches new, leveraging the power of varied UGC content and consumer audience range to seek new customers. As for implementation, Oreo has very effective marketing and channel management, which allows Oreo to maintain a good sales status. At the same time, Oreo also continues to launch products to meet market demand and ensure the product's success and stable supply rates. Finally, as aforementioned, Oreo stands out through constantly interacting with consumers and establishing emotional connections with consumers through online activities and social media. It also listens to consumers. The suggestions from readers have allowed the company to maintain a very good brand image. In short, through 4I analysis, Oreo has successfully constructed an influential and attractive brand image, and has always had a very good reputation in the market. YouTube has the largest search group after Google and has very high communication power. YouTube can display and understand content very easily and is highly interactive. Oreo cookies often cooperate with YouTube users or social media to help Oreo reach out to users more widely and simultaneously improve the credibility of the Oreo biscuit brand. Sometimes the brand also cooperates with other brands or influential people to expand its scope of influence to attract new consumers. It usually works with these partners to produce co-branded products or launch promotional activities, which can easily resonate with consumers [3].

2.4. Outstanding Advertising Creativity

Among Mondelēz, Oreo's advertising is particularly outstanding. The advertising of Oreo biscuits makes full use of various happy and warm elements. Oreo turns biscuits into emotional bonds between people. Research shows that emotional conditions will affect every stage of the purchasing process and decision-making. Emotions play a very critical role in any type of social or business decision-making. Emotional marketing can induce consumers to purchase specific products or services [4]. At the same time, Austria Leo also puts special emphasis on various details in daily life, so that consumers can better enjoy and take in. Oreo biscuits are also very good at telling stories in advertisements and are very good at using videos to convey emotions and make consumers more comfortable. Resonating with viewers, Oreo cookies are great at creating an emotional connection with their audience. Oreo cookies are also very good at advertising and promotion in different fields or media platforms, using more official marketing fields to convey information and increase influence, and flexibly using various platforms to maximize the scope of influence. In short, Mondelēz's promotion strategy on YouTube is characterized by authenticity, creativity and audience participation.

3. SWOT Analysis

3.1. Strengths

First of all, the internationally renowned brand has a very high reputation around the world, the diversity and quality of Mondelez's products, and highly interactive advertising have greatly helped the company achieve today's success, although Mondelēz still has many disadvantages, but the company is still very smart to use its advantages to make up for its disadvantages [5]. Secondly, Mondelēz continues to innovate and launch new flavors and products to meet the needs of the market or different consumers. In addition, as the pace of work in today's society increases, more and more people choose biscuits for breakfast. Oreo's sales channels and markets are also very large, covering more than 100 countries, not only in traditional Supermarket convenience store sales, which also includes digital platforms, often cooperate with others. The second is Mondelez's very impressive financial position. Mondelez International continues to post strong financial numbers. In 2021, the snack giant achieved global net revenue of US\$28.72 billion, 32% of which came from candy stores, while maintaining a very good growth rate. Revenue increased by 8% in 2021 [6].

3.2. Weaknesses

The paper takes Oreo as an example, for some people with relatively poor working assets and unemployed students, if they want to buy Oreo as a daily snack, its price is still relatively high compared with other snacks. The competitiveness of Mondelēz in the market is relatively high. There are many snacks produced by other companies that can beat Oreo in terms of taste, deliciousness or price. There are still many counterfeit products on the market. These are very important to Mondelēz. The Oreos produced are relatively threatening. At the same time, the popularity and market share of Oreos in some areas are relatively low compared to other snacks. These factors will have a certain impact on Mondelez, where Oreos are located.

On January 28, 2021, Mondelēz was investigated by the European Union as to whether Oreo had implemented various practices that hindered trade flows to restrict free competition in the market, and may have refused to provide products to certain suppliers to restrict import entry. Other markets eventually lead to an increase in product prices, affecting consumer prices [7]. Secondly, Mondelēz is also facing the problem of rising raw material costs, including rising overall raw material, transportation, labor, and energy costs.

3.3. Opportunities

The first is product diversification. Oreo has been actively acquiring and supplementing products to expand the current market. For example, in the Mexican market, on April 25, 2022, Oreo announced that it would officially acquire the candy company Ricolino for 1.3 billion dollar. Its company has a very high candy status in Mexico and has more than 50 years of experience in Mexico. Historically, the acquisition helped Oreo transform and expand in the Mexican market and accelerate the growth and scale of its snack category in the Mexican market. Secondly, expansion in emerging markets is another opportunity. About one-third of the company's current revenue comes from developing markets. The demand in emerging markets including India, Brazil, and China is growing. Among them, the emerging market sector is in the third. The second quarter brought in 2.29 billion dollar, an increase of 20% over last year. Oreo has great potential to increase its sales and market share in emerging markets [8].

3.4. Threats

Oreo is also facing many challenges, including the rise in supply chain and costs, including the rising prices of key inputs such as wheat, milk, and eggs, which have affected the profit margins of the entire industry. Half of his products, Cadbury, have even reduced the size of their chocolate bars. Secondly, Oreo operates in a highly competitive industry, which poses a threat to its market position and profitability. Intense competition, which may lead to price wars, will reduce Oreo's Leo's profit margins and market share followed by government regulation. Public Health England required a reduction in sugar content in the diet, requiring a 20% reduction in sugar levels to reduce and curb childhood obesity and the continued worsening of diabetic tooth decay. However, Today, the update of the plan is progressing very slowly [9].

3.5. SWOT Analysis Summary

SWOT analysis is a very useful tool. It mainly studies various internal strengths, weaknesses, external opportunities and threats. It is also one of the technical analysis methods of marketing, but it also has certain limitations [10]. Its main limitations Advantages and disadvantages may overlap. There may be one factor that is both an advantage and a disadvantage. For example, if the economy is in recession and the company is exporting a lot, this may be an advantage or a disadvantage. Another disadvantage is the evaluation of this analysis. It is static and does not take into account the changes in the market environment. The disadvantages of this analysis need to be taken seriously. Facing the challenges of rising costs and political uncertainty, competition in the industry is also intensifying, and more substitutes have appeared in the market. But companies can also turn disadvantages into advantages by exploiting opportunities. Because Mondelez's publicity strategy and marketing on digital platforms are very good, Mondelez can attract consumers to consume by increasing marketing strategies and publicity, which can be used to protect the market and repel other substitute products. In addition, Mondelēz's financial position is very strong, which can help it compete in a very fierce market. Then when costs rise, the company can look for more markets or cost substitutes, and try to use new substitutes to reduce costs. At the same time, because the company's financial status is very good, it can increase R&D expenditures to open up new markets. Let Mondelēz remain more competitive. The biggest challenge that Mondelēz will face in the future may be that compared with its competitors, Mondelēz's R&D expenditures on new products are very low, which may cause it to lose the market, because its product Oreo is in many markets.

4. Business Suggestion

Here are some suggestions given based on SWOT analysis. First and foremost is to keep innovating various flavors and increase R&D funds to keep the brand fresh and to satisfy consumer needs. Depending on the dangers of sugar, health awareness can increase R&D costs to find healthier alternatives that do not compromise on taste to cater to some health-conscious consumers. At the same time, according to the development of emerging markets, continue to expand the global emerging markets, adjust the marketing strategy and adjust the flavor to adapt to the local market demand, and at the same time increase Oreo's brand awareness and influence, and maintain ongoing collaborations, including celebrating cultural events and festivals around the world, partnering with other influential brands or people, launching marketing campaigns, or co-branding products to attract new consumers and market needs.

5. Conclusion

In conclusion, Mondelez International, with its iconic Oreo brand, exhibits a rich history and global recognition. Oreo's success lies in its delightful combination of chocolate-flavored biscuits and creamy fillings, capturing consumer preferences worldwide. The brand has maintained its leadership position in the snack market, consistently ranking as the top-selling biscuit brand since 2014. Mondelez International's digital marketing strategies, characterized by authenticity, creativity, and audience engagement, contribute significantly to Oreo's global reputation. A thorough SWOT analysis reveals the company's strengths, such as brand recognition and financial stability, while addressing weaknesses like rising costs and regulatory challenges. The company seizes opportunities through product diversification and expansion into emerging markets. Despite facing threats like increased costs and regulatory pressures, Mondelez International remains competitive, leveraging its strengths to navigate challenges and ensure Oreo's continued success in the dynamic snack industry. The significance of this study is to provide suggestions for the development of today's snack industry, which is beneficial to the development of the snack industry, including solving health problems and today's cost issues.

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