EFE and CPM Analysis for Hershey Company

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**EFE Analysis**

Hershey External Factor Evaluation Matrix suggests that Hershey has key opportunities to avail and specific threats to be aware of. Firstly, Hershey can produce their chocolate products using state-of-the-art automatic technology which can cut-down the manufacturing costs of the firm to a great extent. Secondly, Hershey can introduce further new products while enhancing their R&D in chocolates and relevant consumables. This will not only increase Hershey’s market share in the industry but also can make the chocolate firm emerge as market leaders.

However, there are current threats in the market for Hershey as well. Firstly, sugar and cocoa prices are rising on a global scale (Pradhananga, 2016). Consequently, this will increase Hershey’s cost of production and decrease the company’s profitability. Secondly, obesity cases are growing on a global scale due to Hershey product range (Taylor et al., 2015). Therefore, it may appear as a threat for the firm as pressure groups including social activists and nutritionists may raise concerns about Hershey’s product range.

**CPM Analysis**

While analyzing Hershey’s Competitive Profile Matrix (CPM), it can be examined that Hershey and Mars are almost the same in reference to product quality, customer loyalty, price competitiveness, and marketing. This is because they are one of the closest competitors in industry (Patalinghug, 2016). Both Hershey and Mars aim to deliver the best quality chocolate to their target market through best possible marketing of their brands. That is why both these companies occupy a similar market share and receive almost the same brand loyalty.

On the other hand, Hershey leads in its competition with Nestle. Although having similarity in product quality ratings, Hershey beats Nestle in customer loyalty and price competitiveness. This is evident as Hershey beats Nestle in the marketing of products. Therefore, better-advertised product range along with competitive market prices receive better attraction from customers.

**Hershey and the External Environment**

As described in the EFE Matrix Analysis, Hershey has opportunities as well as threats that await for this famous chocolate brand as they proceed with their business operations. However, Hershey’s management is dynamic enough to address these issues quickly; ensuring customer satisfaction and brand reputation. This is why Hershey maintains its market ratings against its competitors as shown in different components of the CPM Analysis.

**References**

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