

# Cadbury PEST

## Introduction:



The Cadbury's business needs to be aware of the changing industrial areas and the political, economic, social and technological sectors of the country. The main reason

why Cadburys is interested in PEST is because they like to know what's going on inside and outside their business, and Cadbury's will also want to be aware of what they can do to make their business more profitable. The business cannot change their external issues but they can be aware of them so they know how they can run and respond to them and maybe tweak them in a constructive way.

## What does PEST stand for?

PEST stands for: Political, Economic, Social and Technological external factors that can alter the way a business works. PEST analysis is a tool for analysing the external pressures that come up and affect a business.

## Political:

Political decisions can affect Cadbury's, these can be either advantages or disadvantages, if taxes increase, therefore consumers decrease and sales of stock decrease. However if taxes decrease then likelihood is that the consumers will buy more.

## AO3 – Cadbury’s PEST

Laws can also change Cadbury’s income because if a law were brought e.g. that you could only work 9am till 5pm, factory hours would be cut short resulting in less chocolate being produced.

The government is very concerned about obesity. Heart problems are costing the NHS more and more every year.

### **Economic:**

The interest rates can have an affect on Cadbury’s. If the interest rates were high then Cadbury would not want to borrow as much money for expansion. Also if consumers themselves were under pressure due to their loans they would have again have less disposable income to buy luxury items.

If the minimum wage were brought down, this would mean more money for Cadbury’s but would also result in low sales from the customers.

### **Social:**

Trend in snacking – increase in people eating ‘on the go’ foods (Vending Machines). This would help and not help Cadbury’s because there are over 5 billion adult on-the-go snacking occasions. Snack vending machines were originally made for junk food products but nowadays a lot of vending machines include healthy food so this wouldn’t help Cadbury’s because everyone knows chocolate is bad for you, and if more people are eating healthily then less people will be eating confectionary products. So then Cadbury’s will lose out on money, as there will not be as much customers as what they used to have as they have all started eating healthy foods from vending machines instead of Cadbury’s products.

Local residents with small businesses near ‘Cadbury’s World’ would benefit from the money that is being brought in by all the visitors.

More people are health conscious – they will read the ingredients on most if not all food products they buy and check for any ‘E’ numbers etc. They will also check the packaging for ‘Calorie Content’ a lot of ‘Sugars’ and any ‘Saturated Fats’ the confectionary item has in it.

## **Technological:**

The final external factor is the technological factor; the changes in the technology of a country or a business could threaten businesses while creating opportunities.

Technologies such as mobile phones and the Internet have made some businesses expand and given them great opportunities. Cadbury’s is now able to give out information, give out samples, leaflets and promotional packages to people just

knowing their email address, home address and/or home number or any number to contact them. The mobile phone has also revolutionised how Cadbury’s keeps in contact with its employees, suppliers, and promoter etc.



The downside is that the advancement in technology means that some businesses and some pieces of equipment are no longer in use because they are too old or out-dated to use.

Although Cadbury’s have the Internet to their advantage they have a problem with their customers using the Internet instead of coming into their actual store, and because people don’t go into their store ‘Cadbury World’ that means that people will not be able to see the products as soon as they come out, they will only find out about the new products when they have started being advertised on television and/or on their Internet site. So customers not actually being in their store will mean that they will soon start to lose out on money and they will not get any profits e.g. they will be making more chocolate than what they are selling chocolate.



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Another weakness to the improvement of technology is that other businesses can find out the technology the Cadbury’s business are using and then they try and produce better quality confectionary than Cadbury’s and also make it a lot quicker than what Cadburys makes theirs.

### Conclusion:

So for my conclusion I have explained the four external factors and I have explained how these factors could change the way that businesses i.e. Cadburys run and how much capital they make. I have also said how businesses such as Cadbury’s have to look out for and adapt to the them so that they can carry on earning a high amount of money and increasing their overall profit.



And that was my Cadbury’s PEST essay.

