

SWOT Analysis of Oatly

Strength: <ol style="list-style-type: none">1. Lifestyle/Aesthetic2. Sustainability — Low carbon footprint/ESG3. Brand Partnership — strong B2B4. Global presence5. Quality Products6. Financial performance7. Corporate DEI8. Strong retail performance9. Creative content strategy10. Great crisis management11. Securing major investors and private equity firms	Weakness: <ol style="list-style-type: none">1. Growing competition2. Negative product feedback3. Pricing4. Past ingredient crisis5. The stock price is decreasing6. Past history of being banned by the National Dairy Council Ireland7. Backlash from past lawsuits8. Past history of being boycotted
Opportunities: <ol style="list-style-type: none">1. Rising awareness of environmental crises, rising demand for sustainable brands2. Prosperous tea and coffee culture3. Growing market for plant-based products	Threats: <ol style="list-style-type: none">1. Sociopolitical environment hostile towards aggressive environmentalism2. Potential recurring ingredient crisis3. Potential new food regulations4. Greenwashing accusation from industry or media5. The potential of losing key investors6. Higher moral standards for “pure environmentalism”

Strength:

1. Lifestyle/Aesthetic
 - The fun aesthetic and rising plant-based lifestyle attracted enormous young customers, especially [GenZ and Millennials](#)
2. Sustainability — Low carbon footprint/ESG
 - Oatly prioritizes sustainability by directly sourcing from farmers, optimizing the supply chain, and displaying the climate footprint on each carton to raise awareness.
3. Brand Partnership — Strong B2B

- Oatly has collaborated with [major coffee shops](#) and food retailers worldwide, providing oat milk as a non-dairy option.

4. Global Presence

- As a global brand, Oatly is present globally with great performance in North America, Europe, and Asian markets.

5. Quality products

- Oatly developed the original and outstanding recipe for oat milk, leading the non-dairy milk market for years.

6. [Financial performance](#)

- Oatly's financial performance remains strong, attracting investors globally, and continues to grow even during the pandemic.

7. Corporate DEI

- Oatly is committed to promoting diversity, equity, and inclusion within the corporate world and strives to be transparent about its efforts to improve in these areas.

8. Strong Retail performance

- Oatly's products are present in major retail stores, and the sales of non-dairy products are stable and perform strong.

9. Creative content strategy: playful content that appeals to a wide audience.

- Both the social media content and the out-of-home advertisements are rich and creative, reflecting the brand's identity and value.

10. Great crisis management

- Oatly has gone through past crises and handled them timely and strategically with [fun and creativity](#) which matches its overall brand identity.

11. Securing major investors and private equity firms

- Oatly can expand its presence in major retail grocery stores thanks to its strong investor relations, which provide the necessary investment for company expansion and more collaborations

Weakness:

1. Growing competition
 - More and more brands are introducing oat milk, providing customers with a wider variety of plant-based milk options.
2. Negative product feedback
 - Some of the products offered by Oatly did not receive a positive perception from the market.
3. Pricing — other competitive pricing products on the market
 - As more competitors enter the market, customers have a wider selection of affordable plant-based milk.
4. Past ingredient crisis
 - The ongoing conversation surrounding Oatly's ingredient list claims that its products are not nutritious and contain unhealthy ingredients, which could raise blood sugar
5. The stock price is decreasing
 - The stock price has decreased by more than 20% in the last five years.
6. Past history of being banned by the National Dairy Council Ireland
7. Backlash from past lawsuits
 - Oatly has been involved in multiple lawsuits, including [allegations of greenwashing](#), and lawsuits against other oat milk brands which makes Oatly the center of backlash.
8. Past history of being boycotted
 - Oatly has been involved in past crises which led to continued boycotts of the brand on the internet.

Opportunities:

1. Rising awareness of environmental crises, rising demand for sustainable brands
 - The general public is increasingly aware of environmental crises and values sustainability more than ever before. Market research shows that [77% of Gen Z and 72% of millennials](#) are willing to pay more for sustainable products.
2. Prosperous tea and coffee culture

- According to market research, the [global market for tea and coffee reached a value of \\$177,845 million in 2022](#). This market is expected to continue growing, which presents a great opportunity for Oatly to focus on coffee and expand into the tea market in Asia.
3. Growing market for plant-based products
 - It is predicted that the plant-based food market will grow by [around 30 billion](#) by 2030, which will lead to more opportunities for Oatly.

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Threats:

1. Sociopolitical environment hostile towards aggressive environmentalism
 - As the polarization worsens, the sociopolitical environment will grow hostile towards aggressive environmentalism brands like Oatly, leading to more criticisms.
2. Potential recurring ingredient crisis
 - The ingredient crisis for Oatly is ongoing, which may potentially lead to more crises as people's perception of healthy food shifts.
3. Potential new food regulations
 - Potential new regulations may put Oatly at a disadvantage, requiring a recipe change and risking a boycott if even one chemical is slightly reduced.
4. Greenwashing accusation from industry or media
 - In 2024, Oatly settled an allegation of greenwashing. With the fading global ESG trend, the company may face more greenwashing accusations from the industry and the general public.
5. The potential of losing key investors
 - Oatly relies on investment from key stakeholders to fund its operations, expand its market presence, and drive innovations. The potential external factors that result in losing key investors include market volatility, regulatory changes, competitive pressures, and supply chain disruptions.
6. Higher moral standards for "pure environmentalism"
 - Past boycotts surrounding [whether Oatly should take money from investment management firms that support companies contributing to the climate crisis](#).

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