

SWOT Assignment 2

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I took this SWOT analysis and heavily focused it on celiac disease. This is because I have celiac disease and understand that Bob's Red Mill gluten free products are targeted and made for people with gastrointestinal diseases not for people that just choose to eat gluten free. Most people would not take this approach or realize the importance of the brands products to the celiac community. They do sell to consumers that just choose to eat gluten free as well but this product was not invented with the intention of just living a casual gluten free life as stated on Bob's Red Mill website purposes. Bob's Red Mill is not comparable to other gluten free brands that do not have dedicated facilities because those are not actually fully gluten free or safe for people with celiac. I did try to relate to those brands since they offer regular and gluten free flours but Bob's Red Mill has been and still is ahead of its time.

Strengths	Weaknesses
<ul style="list-style-type: none">• Gluten Free Dedicated Products• Gluten Free Product Line Size• Charitable Support• Consumer Education	<ul style="list-style-type: none">• Price• No longer selling direct to consumers• Land and Supply Chain• Advertising
Opportunities	Threats
<ul style="list-style-type: none">• Restaurant and Store Expansion• Expand Gluten Free Products• Sustainability• Advertising	<ul style="list-style-type: none">• Dedicated Gluten Free Emerging Competition• Charitable Support• Data Breach• Inflation & economic environment

Strengths

1. Gluten Free Dedicated Products:

Bob's Red Mill offers a large variety of gluten free products. This is a trend that has been growing over the years with more awareness around celiac disease and gluten intolerances. What makes Bob's Red Mill different then the growing number of brands offering gluten free products is that the products are made in a dedicated gluten free facility and are tested to make sure that they are gluten free (Bob's Way-Gluten Free, n.d.). Gluten Free labeled products sold in the United States are allowed to contain 20ppm by the Food and Drug Administration (Center for Food Safety and Applied Nutrition, n.d.). For a product to be labeled certified gluten free by the Gluten-Free Certification Organization (GFC) it can contain 10ppm (About Us, 2020). For people that have celiac disease this number can still be toxic and life threatening. The only way for people with celiac to stay safe is to use brands that have dedicated facilities and test their products to ensure 0ppm. This gives Bob's Red Mill a competitive advantage in the growing market of gluten free products. A person with celiac disease is going to choose their products over other cheaper brands simply for safety.

2. Gluten Free Product Line Size:

Bobs's Red Mill offers 24 different types of gluten free flours. This is a large amount compared to other brands like King Arthur with four different types (not a dedicated gluten free facility), Krusteaz with one different type (no information on website about dedication), and Cup4Cup with three flours (CFCO certification). This also gives Bob's Red Mill a competitive advantage

because if a consumer wanted a specialized flour they could only purchase from this company, attempt to make a home made version, or purchase online from companies that are not very well known. Bob's Red Mill Teff Flour is an example of this advantaged.

3. Charitable Support:

Bob's Red mill is focused on giving back and in today's social climate customers care more about what their brands are doing socially than ever. The company gives back to five main organizations to help increase research and education around nutrition, nutrition as medicine, gastrointestinal diseases, and so much more. For a consumer who already cares about these topics to see a brand helping organizations research and educate would be an incentive to purchase the brand. The customer's purchase will help the company have funds to have the ability to give back in these ways.

4. Customer Education:

The everyday consumer may not know as much as an experienced baker when it comes to what types of flours to use, what xanthan gum does, or how to cook different recipes. Bob's Red Mill offers a resources page that will inform their customers how and when to use their different types of products. Since they have a very large selection of different types of flours it is important to help their customer understand the products to be able to actually purchase and use them correctly. If they use them incorrectly the customer might view that as a product issue rather than a personal knowledge issue. Having this information available for free will help customers enjoy the product and understand it better.

Weaknesses

1.Price:

Although Bob's Red Mill dedicated gluten free facility flour is either cheaper or the same as competitors with non dedicated gluten free facility flours all their regular flours tend to be on a higher price point because they are considered to be a specialty flour. Mass produced flour like Kroger, Gold Medal and Phillsbury which are all under \$4.00 for comparable sizes where as Bob's Red Mill hits over that mark with most flours reaching over \$5.00. The high price of a cheap flour vs the low price for Bob's Red Mill could affect price sensitive customers. Currently inflation is high in the United States and even that could turn customers away from purchasing Bob's Red Mill if they had another comparable product.

2.No Longer Selling Direct To Consumers:

As of August 12, 2022 Bob's Red Mill will stop selling products on their website and will only sell products through wholesale partners. Although Bob's Red Mill has tools like store locator to help you find where the products you want are sold they are unable to stock every store with every product. This could mean if one store does not have a specific product they want like the brand's gluten free pizza crust mix they may have to drive to another store or choose an alternative. This no longer makes the buying process easy for the consumer and could cause the brand to lose customers from it. Most brands selling their products online no matter the industry so it is different that Bob's Red Mill is doing the opposite.

3. Land and Supply Chain:

Researches have shown that there is not enough land to produce the amount of food needed to feed all the people on this earth (Heggie, J., 2021). This becomes a problem when brands want to grow. If they do not have money to buy out other brands land they are not likely going to be

able to buy new farm land. This creates a problem for growth. On top of that from Covid every industry has experienced supply chain issues. For farming grains if the company can not make it on their own farms they can purchase from other farms. The issue with this is there is only so much product to be sold. If a larger company has a large bid at a grain seller they are going to have supply first and there may not be any left over for other companies. All these things can affect the future of a smaller scale company like Bob's Red Mill compared to a company like General Mills.

4. Advertising:

I also used advertising as an opportunity because if the company uses it to their advantage they could grow but currently it is a weakness. The company has a developed social media and also airs commercials and promotions but they are not as abundant as the larger brands that have a large budget. This means a customer is more likely to see and associate with a competitors brand over Bob's Red Mill. This also means the customer might not understand the products and how they differ and would just see Bob's Red Mill as over priced.

Opportunities

1. Restaurant and Store Expansion:

Bob's Red Mill was founded in Oregon and has a restaurant and store in Milwaukie Oregon (Whole Grain Store, n.d.). Customers are able to shop there and buy all of Bob's Red Mill products as well as eat meals made using their products. The restaurant creates a safe place for people with celiac disease to eat with people who do not have it. Bob's Red Mill has not expanded from their one location and could do that in the future in other cities and states. This could expand the companies industry classifications and allow them to have more streams of profit inflow. Other gluten free similar brands have not ventured out into this industry yet and this gives Bob's Red Mill the opportunity to dominate the industry and grow awareness for farm to table eating and safe gluten free eating.

2. Expand Gluten Free Products:

More and more people are choosing a gluten free life as well as understanding and diagnosing celiac disease. There is no treatment or product that can help symptoms of celiac. Clinical trials are in process, but all that have reached phase 3 have failed. There is likely to be no cure any time soon as funding is small, research takes time, and it is difficult to get diagnosed with celiac disease to be part of the clinical trials. Many people with celiac go un-diagnosed by a medical professional because they must eat gluten for up to two weeks to be able to get tested. This means that although the regular flour market is over saturated Bob's Red Mill has the opportunity to expand largely in the smaller dedicated gluten free industry. This means they could offer products like cereal, pre-cooked bread, pastas, precooked cookies and so much more. The food industry does not pay attention to the safety of people with celiac disease and although the number of people with it is "small" the actual number is much larger because of un-diagnosable people. This could largely increase Bob's Red Mill market share overall.

3. Sustainability:

The company has been on the path to becoming more sustainable following the social trend creating businesses that are not hurting our environment (Sustainability, n.d.). This is extremely important to the younger generation of buyers and is the future to selling a brand. Being able to market and prove Bob's Red Mill's efforts toward sustainability could ensure a long lasting consumer base as gen z gets older. This could give the company an advantage over other

brands who are not as focused on this and incentives consumers to pay a higher price point for their products over others.

4. Adverstising

Although Bob's Red Mill is an older company they are not lost on social media. With 417,000 followers on Instagram and a frequently updated page the brand is staying up to date with their social media marketing. The brand also produces video commercial advertisements and promotional advertisements. The brand could improve its brand awareness for not only their gluten free products but regular products through increased in marketing. Unfortunately this will mean they will have to allocate more money to marketing but it will allow for their name to be heard and known by more customers. The brand could even partner with famous influencers to create cooking tiktoks and Instagram reels as well as provide educational information on gastrointestinal diseases that many people struggle with.

Threats

1. Dedicated Gluten Free Emerging Competition:

With more awareness around celiac disease and more brands understanding how to properly create products and market them not only for people who want to be gluten free but also have to be is creating much more competition. Brands like Enjoy Life was founded in 2001 and has grown in popularity with the help of social media (Eat Freely-Enjoy Life Foods, n.d.). This brand does not sell everything that Bob's Red Mill does but offers already made products like cookies, brownies, and breakfast bars. This could allow for customers that feel they do not have time or do not want to bake to easily purchase an already baked product. Bob's Red Mill has already created products like quick and easy single serving gluten free oatmeal cups but they could also focus on making prepackaged cookies, brownies, donuts and other options to compete with these other allergy friendly brands.

2. Charitable Support:

Although charitable giving helps increase a brands image depending on who they are giving to can also change customer attitudes toward the company and create a negative outlook. One of the charity's that Bob's Red Mill donates too is Oregon Health & Science University. In 2011 the company faced backlash for these donations because the university tests on animals (Oregonian/OregonLive, 2011). This created bad press at the time and in the following years for the brand and a boycott from consumers who view this as wrong (Traegner, K. D. A., 2017). To this day Bob's Red Mill still donates to this University and this could still be something that stops consumers from purchasing from this brand.

3. DataBreach:

A data breach for a company it its self is threatening to their data but it is also threatening to the brand's image. Customers are worried about the protection of their data with everything they do. The chance of a customers credit card number or personal information can be harmful to the customer and cost the brand a lot of money to properly retrieve data or payout customers for the problem. It is important as a company to have departments set in place that are constantly monitoring and protecting the information the company has access to. As customers hold their brands more accountable it is important that brands push toward their customer protection. Bob's Red Mill faced a data breach in 2022 where customer data may have been exposed (Analyst, O. O. D. A., 2022).

4. Inflation and Economic Environment:

Currently in American we are experiencing high inflation rates which affect consumer purchase decisions (Current US inflation rates). With less disposable income consumers are going to use substitutes to save money on brand name items. The economic environment can extremely affect how customers react to price and that can hurt Bob's Red Mill since they are a high price product for regular products. Customers may change their views toward the brand as too expensive and decide to shop elsewhere. If this happens long enough the customer may never return and give loyalty long term to another brand. Having a competitive price is important but the price of the products also matches the product they are producing.

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