



ANALYSIS REPORT



Team Pet Pals

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Chewy's SWOT Analysis

Strength

- Cloud-based technologies allow for scaling in the future
- World class personalization and care for pets and pet parents
- 24/7 dedicated support for customers
- Holistic and comprehensive expansion of Chewy's product and services
- Relatively fast delivery options
- Strong brand recognition and a highly loyal customer base in the United States.

Weakness

- Growing bounce rate and user experience of website
- Lack of fulfillment centers resulting in inconsistent delivery times
- Does not offer cheapest prices: higher than Amazon, no price match policy, minimum purchase requirement for free delivery
- Room for improvement in their site's user experience
- No loyalty or rewards program for customer retention
- Needs to improve marketing engagement

Opportunity

- Use of digitization and emerging technologies to improve user experience
- Market Expansion to other countries will help gain a global foothold
- Expand into eco-friendly pet products, pet wellness services, and offer personalized pet subscription. Add to comprehensive pet care and wellness (grooming, pet sitting, walking)
- Continue to heavily bank on personalization as they scale and reduce the likelihood of switching to other brands

Threat

- Indirect competitors that offer the same products at better prices
- E-commerce only, no physical branches putting Chewy at a disadvantage
- Economic downturn and inflation impacts discretionary spending
- Personalization is bound to go down as Chewy scales rapidly which could potentially affect its brand reputation

Analysis



Chewy is a growing and expanding pure play pet e-tailer company that has excelled in its pillar of providing outstanding customer service and personalization for pet parents, but faces challenges in terms of competition, scalability and logistics.

- Chewy's pillar of WOW customer service is not sufficient to ensure survival in the wake of the economic downturn and increasing competition.
- Chewy needs to improve on its levels of customer-centricity. Pet parents need convenience, reliability, and accessibility, and want to feel valued and rewarded as customers.
- Chewy needs to maintain brand reputation of trustworthiness and reliability by expanding and streamlining its supply chain, maintaining partner relationships and adhering to safety guidelines.
- Chewy needs to ensure a seamless, intuitive and tailored customer engagement and experience by tapping into different channels and increasing their brand awareness as they continue to expand.
- Chewy's tech savvy customers gained during COVID will need more features to enable better product discovery.
- Chewy needs to invest in emerging technologies like ML, AI, IOT to help identify bottlenecks in logistics, personalize its content and simplify the ordering process for pet parents and pet lovers.
- Digital adoption is more readily embraced by Gen Z and Millennials, who make up Chewy's major target audience, ensuring a promising future for the company's investors.

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