



Oatly SWOT Analysis

Strengths

- **Focus on sustainability:** One key pillar of Oatly is its commitment to sustainability and the greater good of the environment. Oatly aims to empower customers to make sustainable food choices by producing sustainable products and building awareness around the positive impact of a more plant-based diet. The company is also very transparent in its production process and produces an annual sustainability report.
- **Strong brand recognition and awareness:** According to a 2022 survey, Oatly has 54% brand awareness in the United States (Statista, 2022). Oatly is the world's first oat drink company and has strong brand recognition due to its iconic packaging, unapologetic brand tone and mission-driven operations.
- **Innovation:** Oatly has continuously experimented with and expanded its product line to show consumers that oat-based products are more than just milk. The company offers various oat-based products like custard, yogurt and ice cream. Oatly's focus on perfecting its oat production is a testament to its dedication to manufacturing only the highest quality products.

Weaknesses

- **Lack of nutritional value:** Oatly's plant-based products contain significantly less protein than conventional dairy products, which may deter potential consumers.
- **Products are pricey:** Oatly's products are generally more expensive than conventional dairy products, which could be a barrier to entry for new customers. Its products are also slightly more costly than other popular non-dairy-based milk brands.

- **Limited product portfolio:** Oatly has limited products and has not diversified its product offerings significantly since the introduction of its oat milk ice cream. The company has siloed itself to be seen as a beverage company rather than a food company.
- **Supply chain management:** Oatly has a history of various supply chain management issues that have left products out of stock for prolonged periods (Zimmerman, 2021). Lack of inventory can cause customers to switch to other non-dairy milk brands.

Opportunities

- **E-commerce expansion:** Oatly products are often listed as out of stock on the company's product page, which pushes customers to purchase products in other stores. The option to purchase Oatly products directly on the company website would be more convenient for customers as it shortens the consumer journey.
- **Partnerships and collaborations with restaurants and cafes:** Many restaurants and cafes are starting to expand their nondairy milk offerings. Oatly has the chance to be the brand of choice for these establishments, which would help the brand reach new customer segments.
- **Expansion to new markets:** Oatly products are available in only 20 countries, so there is constant room to expand to new countries and grow its customer base.

Threats

- **Increasing competition:** Due to increased demand for healthier beverage alternatives, more nondairy companies are starting to appear in the nondairy milk industry, threatening Oatly's current market share.
- **Consumer perception:** Oatly's strong brand voice and tone might deter more conservative customers from being interested in the social good or the other social initiatives the company publicly supports.
- **Dairy industry:** Although consumer perceptions about traditional dairy products have become more negative over the past few years, dairy milk and dairy products are still staples in millions

of households worldwide. Oatly must compete with the dairy industry giants and try to gain more shelf space and customers.

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