



# PESTLE ANALYSIS

# Nestlé 2024

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# PESTLE ANALYSIS – Nestlé 2024

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## POLITICAL FACTORS

- Nestlé operates in 189 countries, so it must navigate complex political environments and regulations across different governments
- Brexit created uncertainty for Nestlé's UK operations, leading it to consider moving some production to Poland
- Nestlé faces scrutiny from governments over water bottling practices, depletion of water sources, and calls for tighter regulations
- Changes in government policies, trade agreements, and geopolitical stability can significantly impact Nestlé's business operations



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## ECONOMIC FACTORS

- Economic conditions like inflation, exchange rates, and growth patterns shape consumer demand and purchasing power for Nestlé's products
- During economic downturns, consumers may opt for cheaper alternatives, impacting Nestlé's pricing strategies
- In emerging markets with rising incomes, Nestlé can capitalize on increased demand for its products
- Nestlé must adapt pricing, product offerings, and investments based on fluctuations in the broader economic climate

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## SOCIAL FACTORS

- Evolving consumer preferences like health/wellness trends prompt Nestlé to reformulate products and reduce sugar/salt/fat
- Concerns over ethical sourcing led to initiatives like the Cocoa Plan to improve cocoa farming communities
- Nestlé faces scrutiny from consumer groups over marketing to children and the use of palm oil linked to deforestation
- Changing demographics, cultural norms, and lifestyle trends influence Nestlé's product development and marketing strategies



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## TECHNOLOGICAL FACTORS

- Nestlé invests heavily in R&D, leveraging AI, data analytics, and automation to optimize production and supply chain
- Digital transformation through e-commerce, blockchain for supply chain transparency, and digital marketing campaigns
- Adoption of new food processing and packaging technologies to drive innovation and meet changing consumer needs
- Nestlé must keep pace with rapid technological shifts to maintain competitive edge and operational efficiency



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## LEGAL FACTORS

- Nestlé must comply with laws/regulations on food safety, labeling, and advertising across its global markets
- The company has faced legal battles over mislabeling, false advertising, and labor law violations in its supply chain
- Changes in intellectual property laws can impact Nestlé's ability to protect brands and innovations
- Nestlé navigates complex legal frameworks to avoid penalties and maintain a positive reputation



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## ENVIRONMENTAL FACTORS

- Increasing environmental consciousness demands accountability on issues like climate change, water scarcity, and plastic pollution
- Nestlé set ambitious targets like net-zero emissions by 2050 and 100% recyclable packaging by 2025
- Environmental groups criticize Nestlé over water bottling, plastic waste, and agricultural supply chain impacts
- Sustainable sourcing, reducing environmental footprint, and adapting to climate change are crucial for long-term success