

SWOT ANALYSIS

Strengths

- **Industry Leader**: Oatly introduced the world to oat milk in 1994 and as the first commercial manufacturer of oat milk, it has set the standard for the global oat milk industry (Stieg, 2021). Despite the rise in competitors since its inception, Oatly has remained a top contender in the U.S. oat milk market (Wunsch, 2023).
- **Product Innovation**: Oatly is continuously expanding its product offerings by creating other oat-based dairy alternatives such as ice cream, yogurt, coffee creamers, and spreads (Oatly).
- **Sustainability**: Oatly keeps environmental sustainability at the forefront of its business by working to continuously reduce its carbon footprint and by investing in CSR initiatives like restoration farming to promote sustainable practices (Oatly, 2021).
- **Collaborations**: Oatly has collaborated with several brands ranging from restaurants to airlines and stadiums. These partnerships introduce Oatly to new audiences and increase its brand recognition across the globe (Oatly, 2024).

Weaknesses

- **Nutritional Value**: Oat milk provides significantly less protein than traditional dairy products and contains more calories, carbohydrates, and sugar compared to other dairy alternatives (Landsel, 2024). Additionally, Oatly has been questioned about its overall nutritional value due to its additional ingredients like rapeseed oil (Goldbach, 2023).
- **Cost**: Like most milk alternatives, Oatly is significantly more expensive than regular dairy milk which can be a deterrent to budget-conscious consumers (Nguyen, 2023).

- **Brand Reputation**: In recent years Oatly has faced criticism for greenwashing, selling its byproducts to pig farms, suing smaller companies, and more. Although Oatly has taken accountability for its controversies by dedicating a website to document all of its missteps over the years, some consumers may decide to purchase from Oatly's competitors when buying dairy alternatives due to their personal values (Bitter, 2023).

Opportunities

- **Food Trends**: Plant-based and partially plant-based diets have been globally rising in popularity year after year. Particularly in the Western world, more individuals are switching to plant-based diets for health benefits and sustainability practices (Unilever, 2023).
- **U.S. Plant-Based Milk Market**: North America is currently the largest player in the global plant-based milk market. Due to the rising popularity of plant-based diets and the growing range of products available, consumers in North America are increasingly switching out dairy products for healthier and more sustainable options (The Brainly Insights, 2024).
- **International Expansion**: Oatly is already available in over 20 countries, but it still has the potential to expand its presence in regions with growing demand for plant-based products (Oatly).

Threats

- **Supply Chain**: Because all of Oatly's products are oat-based, its production scale is heavily reliant on the oat industry. Poor weather and droughts in recent years have made the oat-farming industry unpredictable which makes it difficult for brands that rely on oats to meet production demands (Behr, 2023).

- Global Food Regulations: For every country Oatly is sold in there are different food regulations set by each respective government that Oatly is required to follow. This could halt Oatly's expansion into new countries as well as threaten Oatly's existing position in countries as food regulations are subject to constant change (Buxton, 2023).
- Oversaturated Market: After Oatly entered the already crowded plant-based milk market with the invention of oat milk, other brands were quick to follow suit. As the number of oat milk brands continues to grow, competition increases and puts Oatly at risk of losing market share (Wunsch, 2023).