**Jamba External and Internal Environmental Analysis Paper.**

**Introduction.**

With the Jamba Juice forging ahead in its business, it is been faced with various challenges. The company is facing challenges like the rising cost of food, rising cost of fuel together with changing demographic that may affect the company’s customer base. The company aims at continuing to grow fresh stores and also expanding on the customer base. The company ought to develop an aggressive advertising campaign and also adjusting the mode it conducts its business to address the external forces that affect its operations. The company needs to invest considerably in advertising so as to attract older populations; however,  the rate will only be provisional and ultimately balance by changing some store routines. The company wishes to rely less on shipment of produce; however, it will instead purchase from local farmers when possible. The company can also use frozen goods in place fresh goods with the spike of prices. The overall goal is becoming more independent and more ecologically and socially responsible and avoid relying on heavy fuel consuming shipments.

**External and internal environmental analysis.**

With the change of the world, there is also change of trends and forces. In the United States, there are various forces that affect all businesses. The main force currently affecting United States is the economy. There is a high rate of unemployment that makes potential consumers spent little, and this has a direct effect on business. Another trend is the rise in cost of fuel. There has been a considerable increase in the price of fuel recently, and it is anticipated to increase even further. Farmers have embraced the growth of more corn to create ethanol, to reduce higher prices of gas. Though the ethanol may help in decreasing fuel cost slightly, it has made the vegetables, and fruit prices to go up, which is also hurting to the American consumers.

 The primary product for Jamba juice is all fruit smoothie, and they have the pride of using ingredients that are fresh. The drinks offered have yogurt, soy milk, sorbet, and sherbet. Customers can also add boosts to their drinks, which comprise of scoops of energy, fiber and calcium. The boosts are offered for free. The stores are extremely liked by people, though they are showing signs of slowing down. Jamba juice has been negatively affected by the aforementioned trends. Since Jamba Juice requires fresh fruits regularly, it implies that they need to ship them regularly. This has forced the organization to increase its charges to balance for higher shipping costs. Farmers are converting normal crops like soy and strawberry to the corn crop, and this has a significant impact on the pricing as supply decreases and demands remains constant. Jamba has been selling veggie smoothies and fruit, and the economy has been slowing their profits. With the low profits, the trends indicate that the costs of food, produce and gas are increasing at a rate that is distressing.

**Macroeconomic forecasts.**

For continued success of Jamba Juice, future forecasts are extremely appealing. Though there are no specified smoothies categories, forecasts on soft drinks were used for guidance. Based on five years forecasts, considerable growth is anticipated. The Americans are drinking more flavored beverages and soft drinks; hence coffee and tea consumption is expected to remain constant. This is favorable for Jamba juice since the organization intents to tap into some customers and coffee shops. The energy consumption, personal income and fuel forecasts are showing a positive trend. It is expected that personal income will increase while fuel consumption decreases. Novel technologies are coming about every day and there is an attempt of reducing the amount of fuel dependency in America and the world over. There are hybrid vehicles together with alternative sources of fuel. Increase in income goes with increased living cost. Therefore, it is anticipated that income will be more than the cost of living, which will provide consumers with income to dispose. Irrespective of the outcome, consumption of fuel together with personal income economic indicators favors businesses like Jamba Juice.

             Environment gives firms constraints, threats as well as opportunities. However, it is not easy for a single firm to exert a consequential equal influence (Robinson, & Pearce 2004). Americans are not perceived to be healthy, but they attempt to be conscious to health and are obsessed to diet. The edge of Jamba Juice is that they provide delicious, as well as, healthy beverages. This makes people have the feeling that they are giving their body what it deserves. The American food market is filled with fast foods; hence the available, healthy choices are limited.

Politics also have a role to play in the Jamba Juice’s future. With the country striving to be healthy, there has been debate of imposition of tax on junk food. Unhealthy food will be charged highly while healthy food like Jamba Juice would be reasonably priced and with the same ingredients and taste. The future of Jamba Juice will, to some extent, be determined by the seriousness with which future leaders will take the health crisis of United States. With citizens been healthy, the insurance for medical coverage would be lowered. This would be a resolution to one of the most serious problem in the nation.

 Technology does need to cause the death of a company like Jamba Juice. Technology may make a company’s process smooth; for instance, in making orders and inventory maintenance. Technology can also have effect on an organization by inventing vehicles that save fuel and this would ultimately save the money for Jamba.

Other factors that can have effect on the operations of Jamba juice are the demographics of the company. People and Americans in particular are living longer, and this implies that to maintain success Jamba ought to target different demographics, apart from teens. Jamba Juice should understand that when people get old, they are cautious of eating habits along with their wellbeing.

**Competition analysis.**

Jamba Juice products are priced competitively and can be compared to their two biggest competitors, Lish and Juice It Up. Juice It Up is a Contract Corporation that is not traded publicly. Similarly, Lish has this operational structure and is relatively small as compared to Jamba Juice, though it is growing rapidly. Jamba Juice has a monopolistic market structure. It has easy entry and exit of industry, differentiated products, small market share, independent action, and with no collusion.

**Competitive advantage.**

The current situation for Jamba Juice is favorable, and as an organization, the mission goals are been met. The mission statement of the company is to make itself a chief supply of healthy vigor in the form of newly blend beverages. These beverages are to have an uncompromising commitment to make a difference through its values. Though the mission is been attained, the number of competitors in this market is increasing rapidly. This implies that the mission for Jamba may need to be modified to address the diversifying industry. Despite there being increased competition, various opportunity areas can be identified. Te main opportunity for Jamba Juice is the season of the year. With the heating up of the weather, people are in need of nippy, refreshing drinks instead of their typical cup of coffee. Jamba also has the opportunity is that it can attract fresh and relatively older clients. The company can attract experienced and older employees due to the increased rate of unemployment.

**SWOT analysis.**

SWOT analysis is a technique that is widely used by managers to get a swift impression of the strategic situation of a company. SWOT is based on the assumption that an effective strategy comes as a result of sound balance between external environment and the internal resources of a firm. The internal resources comprise of strengthens and weaknesses while the external situation comprises the opportunities and threats (Robinson & Pearce, 2004). There are various strengths and weaknesses identified for Jamba Juice. These include the positive work environment, strong sales, and Jamba being viewed as the leader in the industry. The identified weaknesses include high turnover rate because of young employees working on seasonal bases. The employees are young and lacking experience.

**SWOT analysis.**

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| **Strengths.**  Market leader.  Positive working environment.  Strong sales. | **Opportunities.**  Warming temperatures.  High rate of unemployment.  Schools out for summer. |
| **Weaknesses.**  High employee turnover.  Extremely young employees.  Inexperienced employees. | **Threats.**  Higher price for produces.  Similar shops entering market.  High fuel prices. |

**Conclusion.**

Jamba Juice current position in the market is relatively favorable. This is due to the various strengths it has in the business. Nonetheless, it is affected negatively by the weaknesses that threats that it faces.  A balance between the internal resources of the firm and the external situation will ensure the company thrives. Appropriate training programs should be put in place, to enhance the employee skills and increase their experience. Career oriented employees should be hired, and this will ensure high quality products are produced. Employees who are inexperienced should be paid low wages to encourage them to undergo training. Deal should be struck to ensure that raw materials are obtained at subsidized prices.

**Reference**

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