

**Czech University of Life Sciences Prague**

**Faculty of Economics and Management**

**Department of Economics**



**Bachelor thesis**

**Tabacco Industry – Case of Philip Morris**

**Diana Yerdenova**

**© 2015 CULS Prague**

## **Abstract**

The main aim of Bachelor's thesis is to investigate Philip Morris as a global leader in the tobacco market, and analyze its operational activities from the perspective of their financial efficiency. This thesis is divided into four key chapters. The first chapter is methodology section which provides an overview of the methods and bibliographic sources used for running this research. The second chapter deals with the overview of the global tobacco market. The third chapter investigates Philip Morris International's activities on the tobacco market. Last chapter focuses on an overview of the corporation's activities, the company's financial indicators and a summary of the findings of this research.

**Key words:** tobacco market, corporation, Philip Morris, market trends, financial indicators, dynamics of development

## **Main findings**

The global tobacco market has lately been constantly growing both in terms of physical production and the aggregate amounts of sales. The global leaders on the tobacco market have been able to expand their activities thanks to the positive market conjuncture.

The main aim of my research is to investigate Philip Morris as a global leader in the tobacco market, and analyze its operational activities from the perspective of their financial efficiency. The main methods, which are used in this research, are statistical analysis, analysis of financial statements, SWOT analysis, PEST analysis, descriptive analysis, and analysis of case studies.

The bachelor's thesis is divided into four key chapters. The first chapter focuses on an overview of the methods and bibliographic sources used for running my research. The second chapter deals with the overview of the global tobacco market, its current condition and conjuncture, key competitors, market trends, products, dynamics of trade, etc. The third chapter analyses the activities of Philip Morris International on the global tobacco market from both quantitative and qualitative perspectives; run the financial analysis of Philip Morris International's activities based on the company's reports. The fourth chapter provides a summary of the findings of this research.

The findings of this research allow thinking that Philip Morris International has all the prerequisites to continue maintaining its leading positions on the global tobacco market in the near future. On the one hand, this is preconditioned by the overall positive growth dynamics on the market, and thus by the ever-growing demand for tobacco products among the population around the globe. On the other hand, the company itself runs very effective managerial policies, and is able to reach top market performance.

Hypothesis 1 can be disapproved. The global tobacco market is not experiencing any slowdown. Hypothesis 2 can be confirmed. Indeed, the global tobacco market has been lately been demonstrating positive growth dynamics, and is expected to further expand in the near future according to expert estimates. Hypothesis 3 can be disapproved. Philip Morris is indeed the leader on the global tobacco market. Hypothesis 4 can be confirmed. Indeed, Philip Morris will be likely to continue holding its leading positions on the global tobacco market in the near future.

Thus, the aim of this research has been fulfilled, and its goals have been reached.

## References

BENSON, P. *Tobacco Capitalism: Growers, Migrant Workers, and the Changing Face of a Global Industry*. Princeton: Princeton University Press, 2011. 323 p. ISBN 978-06-911-4920-2.

CODRY, H., V. *Tobacco: A Reference Handbook*. Santa Barbara: ABC-CLIO, 2001. 419 p. ISBN 978-08-743-6967-0.

JENNINGS, M. *Business: its legal, ethical, and global environment*. Mason, OH: South-Western Cengage Learning, 2010. 864 p. ISBN 978-05-384-7054-4.

BARNETT, W. *The Global Tobacco Industry*. Available at: <[http://www.researchgate.net/profile/William\\_Barnett/publication/215585827\\_The\\_Global\\_Tobacco\\_Industry/links/0912f5029466dc98ff000000](http://www.researchgate.net/profile/William_Barnett/publication/215585827_The_Global_Tobacco_Industry/links/0912f5029466dc98ff000000)>.

REHN, A. *6 Mega Corporations Control Almost the Entire Global Cigarette Industry*. 2014. Available at: <<http://www.policymic.com/articles/81365/6-mega-corporations-control-almost-the-entire-global-cigarette-industry>>.