

Malaysian market essay



**ASSIGN
BUSTER**

The inception of the soft drink was in 1830's. Due to the technological advances in production and higher product availability, the consumption has increased steadily. It is also becoming difficult to ignore the existence of soft drink in today's market. The soft drink products have been overtaking the hot drink or water gradually and becoming as the biggest beverage sector in the world. This situation also applicable in Malaysia, it was reported that the number of people consumers soft drink is very high and up to 1000 cans per minutes.

In the midst of the rapidly growing soft drink demand, it seems like the soft drink industry leads to generate greater influence for the food and beverage market in Malaysia. However, there was a study conducted in Malaysia, The National Health Morbidity Survey data revealed that in adults, 20.7% were overweight and 5.8% obese; the prevalence of obesity was clearly greater in women than in men. In women, obesity rates were higher in Indian and Malay women than in Chinese women, while in men the Chinese recorded the highest obesity prevalence followed by the Malay and Indians.

Hence, current nutrition and health surveys reveal that Malaysians are already affected by western health problems, such as consumption of soft drink. The escalation of obesity, once thought to be an urban phenomenon, has now spread to the rural population at an alarming rate. As Malaysia proceeds rapidly towards a developed economy status, the health of its population will probably continue to deteriorate. Therefore, a national strategy needs to be developed to tackle both dietary and activity contributors to the excess weight gain of the Malaysian population.

Moreover, the issue of obese children also is another severe problem of the national health concern. The parents in Malaysia are concern about the changing to some healthy drink instead of soft drink, in order to prevent their children fall into the categories of the young obesity. Therefore, our team will introduce a smart way to enjoy soda with healthy concern to the food and beverage market in Malaysia. Sodastream is an appliance that makes the water and juices into great-tasting, fizzy beverages. The products that we going to introduce is fashionable, fun, sleek, and easy to be use.

Besides, the Sodastream also provided a better quality of drink produce and also it is healthier than the soft drink in the market. Market analysis and market segmentation Malaysia is regarded as an upper middle income group country. Gross Domestic Product (GDP) growth is forecast a 4 percent for 2012, with this expected to expand to 5. 6 percent in 2013-2016.

Furthermore, Sales within the Malaysian food and beverage retail industry were forecast to reach of US\$15. 69 billion in 2011 and are predicted to grow to US\$21. 17bn by 2015.

There are a lot of opportunities for the Malaysian food and beverage retail market. It is expected to grow by estimate 10 percent annually. This is a vast global market opportunities, where the carbonated beverages costs \$264 billion, which are the carbonated soft drinks costs \$225 billion and sparkling water for another \$39 billion in the markets. Basically, Malaysian household spend around 24 percent of household income on the purchase of food and beverage average. Thus, this is a very good opportunities for the appliance that we going to introduce.

The Malaysian market is relatively competitive and price sensitive. However, Malaysia aims to be the market leader and the main halal hub for the world and its halal certification requirements are likely to become more stringent over time. For us, we going to penetrate the market by the appliance and the consumable products together, so need to apply the halal approved from JAKIM (the Malaysian Government's halal certifying organization). Product Positioning Basically, Sodastream is positioning as the household appliance that suitable for most of the users in the market.

Basically, we would target the household of the middle income group that concern about their family members' health. This is exactly is the trend that we foresee in Malaysia food and beverage market going to be, this is because of the health emphasis of the government and also the health awareness of the household. The end users would be the children and young adults in the family, because the children and young adults are the biggest size of the soft drink market. Furthermore, the positioning in the market, we would like to position ours products as the healthy appliance and healthier soda than the existing soft drinks that in the market.

This is the advantage of our products that different form the existence market. Furthermore, this product also compelling consumer benefits such as convenient, cost effective, promote health and wellness, customizable, and environmental friendly. Market Entry Strategy The strategy that we going to penetrate into the local market is using the channel of the hypermarket in Malaysia. This is because of the perception of the market that the product's quality that selling in the hypermarket is upper middle level.

Thus, we decided to use the channels, such as Tesco, Carrefour, Aeon Jusco, Parkson, Coldstorage, and Giant. For the product introduction strategy we going to bundle together the Soda maker and the consumable product and introduce to the new users in the market. This is because we will create the long term consumable products profit in the future. This strategy we called it as the complete carbonation system that included the soda maker, carbonating bottles, CO₂, cylinders and flavors. This is the reason that we targeted for sustainable long-term revenue generated from consumables of SodaStream.

It was brief estimation revenue of single user that generated from Soda maker is \$50, but it will be \$139 revenue generate in period time of 4 years. In order to growth the business, we planned to use the approach of consumer education. There are 2 approaches that we going to use are the In-store and the out-of-store. The in-store method will be going to conduct the product demonstration, feature and display, and controlled distribution and SKU management. On the other hand, the out-of-store method is the celebrity endorsement, internet & affiliates, public relation and social media, and advertising.

Competitors in Industry Due to Sodastream is still new in Malaysia home appliance; therefore, SodaStream will use other carbonated drink brand in analysis imply as sparkling industry based on output product of soda maker machine which is the varieties flavors of carbonated drink. Coca Cola Company The Coca-Cola Company (Coca-Cola) is a leading manufacturer, distributor and marketer of Non-alcoholic beverage concentrates and syrups in the world; furthermore, Coca-cola owns a large portfolio of product brands

<https://assignbuster.com/malaysian-market-essay/>

such as Coca-cola, Sprite and Fanta. It has strong brand recognition across the globe.

The company's strong brand value facilitates customer recall and allows Coca-cola to penetrate new markets including Malaysia and consolidate existing ones. Pepsi is the refreshment beverage unit of PepsiCo, Inc which is the world's second largest beverage business. Pepsi Company now produces and market nearly 200 refreshment beverages including carbonated drink to retail, restaurants and food service customers in more than 190 countries.

For carbonated product lines, Pepsi not only produce just Pepsi brand, but also produce other well-known brands such as Mirinda, 7up and Mountain Dew. Spritzer Group; local company, is the most integrated and largest bottled water producer in Malaysia. The Spritzer Group of Companies today comprises five subsidiaries which are involved in the manufacturing and distribution of natural mineral water, sparkling natural mineral water, distilled drinking water, carbonated fruit flavoured drink, non-carbonated fruit flavoured drink, functional drink. For the carbonated drink, there is sparkling natural mineral water and Spritzer Pop which is Natural Mineral Water with a hint of fizz with 5 exotic fruit flavors: Lychee, Apple, Lemon, Mixed Berries and Orange.