

Water buffola  
mozzarella cheese  
from italy to uk  
marketing essay



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## **INTRODUCTION**

For my assignment, I choose as a product " Water Buffola Mozzarella Cheese". I plan to import water buffola mozzarella cheese from Italy to UK. The purpose of this assignment is to designing purchasing strategies according to market analysis, PESTLE analysis, supply chain factors, legal factors, potential risks and benefits.

First I will give brief information about mozzarella cheese and after that I will start to design my plan. The planning process start with marketing plan and it continues with PESTLE analysis such as political, environmental, social, technological, legal and economic factors that affects international purchasing. Later I will continue with supply chain strategies with cost analysis and in final part I will show the potential risks and benefits of bringing water bufola mozzarella cheese from Italy to UK. And finally I will finish my assignment with the conclusion part.

### **Water Buffola Mozzarella Cheese**

Mozzarella is one of the sensitive cheese that it can be soft and quick melting. And it is usually kept in a water and refrigerated in its water. One of the type of mozzarella cheese is made from water buffola milk. This milk is different than the cow's milk and these animals who has buffola milk are herded in only few countries, primarily Italy. Mozzarella is a soft cheese, designed to be eaten fresh. Ideally, mozzarella should be eaten within hours of manufacture, and will taste the best if eaten within three days. It is unique Italian cheese. I choose as a country Italy because the location of origin

water mozzarella cheese is Italy. Also the relationships between Italy and United Kingdom is good.

## **MARKETING PLAN:**

I decide to import water buffola mozzarella cheese from Italy to UK. Before starting to start this job, I have to search market and learn some clues. But I want to explain this part undetailly because my actual part is business research. But searching the market is the initial stage of purchasing of goods. In marketing part, I want to analyse marketing plan. This includes customer and competitor analysis. In customer analysis, I have to look "market size" that it shows the number of customers and value of industry with the statistics. Then, I want to look "customer segmentation" with dividing different groups based on common characteristics. The UK's cheese market size is big and the number of sales of cheese product is high. The number of population is high. There are lots of customers and it is an opportunity for my decision. But the most big challenge is competitors. My second search is "competitor analysis". In this part, I have to look market share and the characteristics of competitor analysis. There are lots of foreign companies to import water buffola mozzarella cheese to UK. But inside the competitors, I have to gain some competitive advantages.

In UK, consumers respond well to advertising and they will buy products if they see advantage such as price, quality, design and environmental benefits. And also after sales services are important. I will be overrate these elements to gain some competitive advantage. After the marketing search and decisions, I will do some business research and this starts with PESTLE

Analysis and it continues with Supply Chain Strategies and SWOT Analysis.  
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## **PESTLE ANALYSIS:**

Pestle stands for: Political

Economic

Social

Technological

Legal

Environmental

PESTLE Analysis helps companies to understand the external environment in which they operate. In this part I want to evaluate PESTLE Analysis for importing mozzarella cheese from Italy to United Kingdom. Legal, political, economical, technological, social and environmental factor affects international buying between companies and countries. According to this I want to evaluate these factors between Italy and UK and I want to decide some decisions and make some strategies. And also addition to this, these factors give my reasons why I choose to bring mozzarella cheese from Italy to UK. In international buying, there are some factors that affect companies and governments in decision process. I want to start with legal factors.

Legal factors: United Kingdom and Italy share membership of the European Union, NATO, OSCE and G8. And this gives both of the country easy and comfort international trade. Also, UK is part of the European Union Customs Union. It provides free trade arrangements of the EU and European Free Trade Association (EFTA) The importance is in export and import, the foreign

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companies have to use UK's currency; British pound. Their currency system is different and the foreign companies have to use currency of pounds in taxes systems.

Therefore, there are some EU food safety requirements and UK applies the European Union (EU) these kinds of rules. Before explaining these rules, I want to mention something. Meat products, fish products, egg products and milk and dairy product's companies need to register all of their premises with their local authority. This is required under EU regulations.

According to these regulations, there are some restrictions on farm products such as on milks and meats. These regulations are called CAP which means Common Agricultural Policy. In the UK customs, the import products are controlled and checked that are harmful or not when entering the UK territory. The product that I import which is water buffola mozzarella cheese contains milk and in the UK Customs it will be controlled and I will show some documents such as applicable certificates, product licences and documentation as a proof that the cheeses do not contain any diseases. Because, all food which is imported into the UK must be safe to eat and conform to food-law requirements.

Failure to comply with UK and EU hygiene and safety rules could cause delay in shipments, increase costs and require action to be taken by enforcement authorities. The foreign companies must be remembered food hygiene requirements in all stages. The food business operators have to apply food safety procedures on "HACCP" principles. It is internationally recognised and recommended for food safety management. Food production legislation

covers all parts of food production such as; production, processing, packaging, labelling, distribution and retailing. The foreign companies must be careful in some rules. When importing cheese to UK, the importer have to obey some rules or regulations. These are;

The main pieces of UK and European general food legislation are:

the Food Safety Act 1990, which provides the framework for all food legislation in Great Britain and creates offences in relation to safety, quality and labelling.

the General Food Law Regulation (EC) 178/2002, which creates general principles and requirements of food law

the General Food Regulations 2004 which for human health

The main pieces of UK and European hygiene legislation are;

Regulation (EC) 852/2004 – covers the hygiene of foodstuffs and sets out general hygiene requirements for all foods

Regulation (EC) 853/2004 – sets specific hygiene rules for food businesses dealing with products of animal origin

Regulation (EC) 854/2004 – sets specific rules for official controls on products of animal origin intended for human consumption.

Political Analysis: Italy is an ideal country where to export mozzarella cheese because it is a traditional food of Italy. From the political point of view, Italy has good international relationship with EU countries. There are no

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restrictions to the import or export of capitals and goods. Their accounting system is International Accounting Standards (IAS) and also this accounting system is used by all EU countries. It is similar with all EU countries. This political relationships affect import and export of goods. For mozzarella cheese, this relationship is an advantage for United Kingdom because UK is an EU country and also use the same accounting system. To import this product to the United Kingdom more easier than the non-EU countries.

Economic Factors: Italy is one of the major the European Union agricultural powers. Italy is amongst the top 10 trade countries in the world.

Manufactured goods account for more than 90% of the country's exports.

Italy is one of UK's largest markets with exports. You can see the main partner countries in Table 1. One of the main partner country of Italy is United Kingdom. In 2008, from Italy to United Kingdom, the percentage of export is 5.2. But in 2009 this level decreased because of the global crisis. In 2010 the export level gets better and now the level of export more higher. In the part of the Italy customs side, Italy uses the harmonized system.

## **Table 1: Main partner countries**

### **Main customers**

(% of exports)

### **2008**

#### **Germany**

12.7%

**France**

11. 1%

**Spain**

6. 5%

**United States**

6. 3%

**United Kingdom**

5. 2%

**Others**

58. 2%

Source: Comtrade

Technological Factors: In the world, most of the countries buy mozzarella cheese from Italy because the technology of mozzarella cheese equipments are well developed in Italy. The production of mozzarella has lots of stages such as processing equipment, cooling, freezing equipments, filling machines, cheese press and cheese mixers. The technology and well equipments are very important for producing of mozzarella cheese and this is well developed in Italy. One of the reason to choose Italy for mozzarella cheese is the technological factors. Innovation of equipments always used by the Italian mozzarella companies. And also their communication system is well developed.



Social Factors: In United Kingdom, the number of pizza, pasta and salad restaurants are too much and most of them use mozzarella cheese for their products. They need to buy mozzarella cheese, and also in supermarkets the number of selling mozzarella cheese is in high levels. Most of the people in United Kingdom like the Italian's cheese style and taste. Because this type of cheese is no health risk. Best quality mozzarella cheese made in Italy.

Environmental Factors: Water buffalo mozzarella cheeses are pasture-fed which promotes the health of the animals and increases the calcium content in the milk. There is no healthy risk and most of the people prefer this kind of cheese. It is in the water and there is no oil, fat and salt in the cheese. The water buffalo companies do not adulterate the animals's milk in any manner so this carries through to the mozzarella. The agriculture manufacture well developed in Italy, depending on environmental factors, the season, daily temperature and the properties of the milk on particular days are suitable for production of mozzarella in Italy. The cheesemaker adopt to all these factors in Italy. And also the packages are recyclable.

## **PROCESS MAP**

## **SUPPLY CHAIN STRATEGIES**

The top of the page, you can see the process map. This map starts with establish relationship with the manufacturer of buffalo mazzarella cheese and it continues with need of contract and ordering, after that it continues formulate supply chain strategies, deliver and evaluate product and sale of the product.

The supply chain process starts “ ordering”. I plan to order 2. 000 water buffola mozzarella from one of the big mozzarella cheese company in Italy. After deciding ordering, I (as a importer) and the company’s employees (as a exporter) will make a contract about the buying and supply chain processes. The formalities of a contract such as offer, acceptance, agreement, capacity and consideration are very important elements for the formal relationships. According to this, I and the mozzarella cheese company decide to make bilateral or unilateral contracts. After signing the contract, the company starts to produce 2. 000 mozzarellas . In this stage, the mozzarella cheese company use processing equipment, cooling, freezing equipments, filling machines, cheese press and cheese mixers to produce buffola mozzarella. After the producing, the mozzarella company make their own packaging and distribution.

The quality of product is very important. Sometimes it can be difficult to find good quality mozzarella in supermarkets. Sometimes thier tastes changes or fall off. They are dairy products and they have to be consume very rapidly. Because of that warehousing and stockings are the fundamental elements for this kind of cheese. The packaging is very important, because inside the packages there are some waters that protects cheese. That’s why, the company have to package mozzarella cheese very carefully. Fresh mozzarella can be packaged dry in vacuum-sealed plastic packages and also the companies use recycleable packaging system. The mozzarella cheeses should be packaged due to the EU regulations.

After the packaging stage, the storage and transportaion stages are the significant elements for the mozzarella cheese because they have to be <https://assignbuster.com/water-buffola-mozzarella-cheese-from-italy-to-uk-marketing-essay/>

storage in fridges and they have to be carried by the refrigerated trucks or air crafts. I want to apply as a incoterms FCA (Free Carrier). It means that the seller fulfils his obligation to deliver when he has handed over the goods, cleared for export, into the charge of the carrier named by the buyer at the named place or point. So this means all the responsibilities on the seller side. The company will carry my goods and deliver all the goods to my addresses that I gave.

The temperature is the significant element for mozzarella cheese.

Refrigeration and transportation systems are well developed in Italy so this reflects and determines the quality of mozzarella cheese. According to FCA, storage and transportation of goods are on mozzarella company's responsibility. When the mozzarella company are to be ready to deliver 2.000 amount of mozzarella cheese, they have to put them refrigerated fridges and transport these products immediately. The developed refrigeration systems allows mozzarella cheese to transport another nations. In the transportation systems, there are refrigerated fridges in air, road and shipping containers. But the important point is the leading time and quantity of cheeses. . If I have enough time to distribute and high quantities of products, I choose refrigerated road transportation but If I have not enough time to deliver I choose air transportation from Italy to UK. As I mentioned before the cheese are dairy products. But mozzarella cheese is different from the other cheese because mozzarella cheese should be used in ten or twelve days. Because of that I choose refrigerated transportations. According to the delivery time, refrigerated road and air transportations are suitable because Italy is one of neighborhoods of France and also France is the most closest

country to United Kingdom. The mozzarella company can use road or air transportation efficiently but as I mentioned before I decide this according to the delivery time and quantity. My product that I import is mozzarella cheese and the time is very important. This sensitive products should be transported and distributed carefully.

So, according to the location of Italy, I have two options for transportation and distribution of mozzarella cheese from Italy to United Kingdom. You can see the map of Europe in Graph 1 to understand the distribution and transportation system easily. For transportation and distribution of product, the mozzarella cheese company carry my product for me. First option is; refrigerated road transportation, second option is refrigerated air transportation. I will decide this important decision according to the delivery time of supermarkets or restaurants. But now, I want to evaluate these two option. First option; bringing mozzarella cheese from Italy to United Kingdom by refrigerated trucks. If I have enough time to distribute and high quantities of products, I choose refrigerated road transportation. The refrigerated trucks will reach easily to the France and after those trucks

come to the France border point France with EU regulations , mozzarella cheese with refrigerated trucks shipped to the UK. Because there is a English Channel which calls La Manche, is an arm of the Atlantic ocean that separates England from Northern France. This channels connect the UK and Europe very closely. There is a RO RO shipping that are vessels designed to carry wheeled cargo such as automobiles, trucks, semi-trailer trucks, trailers or railroad cars. These are driven on and off the ship on their own wheels between UK and Europe. Those truck that which carries my product which <https://assignbuster.com/water-buffola-mozzarella-cheese-from-italy-to-uk-marketing-essay/>

is mozzarella cheese, use the RO RO shipping to move to UK. You can see the English Channel in Graph 2. In the UK customs, the documents, certificates and licences has showed detailly by the 3PL of the mozzarella cheese company. Also, for trade association, there are 13 incoterms and these incoterms make trades easier between countries. In customs, they are controlled departure term, shippment term, or arrival terms. It is very important and it is legally wanted from the companies or third party logistics companies. The company should show the FCA incoterm certificate to the Italy, France and UK customs. After that, across the UK, the company will continue to use refrigerated road transportation because UK is an island country and it is easy to use road transportation to carry and distribute products.

According to the second option, bringing mozzarella cheese from Italy to United Kingdom by company's 3PL's refrigerated aeroplanes. If I have not enough time to delivery and distribute , the best thing is air transportation. The products can easily come to UK from Italy by fleights with showing all the certificates and documents in both sides of the customs.

Graph 1: Map of Europe

Graph 2: English Channel

## **COST ANALYSIS (by using air transport)**

Mode of transport: Airfreight

Packing: 2. 000 packages

Gross weight: 1. 500 kg

Net weight: 800kg

Quantity x Price(unit) = 2. 000 x 3 pound= 6. 000 pound

FCA Value: 2. 000 pound (with transportation and customs costs)

Freight value: 500 pound

Insurance value: 400 pound

Total: 8. 900 pound

## **SWOT ANALYSIS**

### **Potential Benefits:**

technological development, innovative and well developed equipment,  
experienced workers in Italy mozzarella cheese industry

More closer relationship between UK and Italy

Low fat, rich in calcium, vitamins and protein inside the mozzarella. This  
causes most of the people preferred these kinds of healthy cheese

### **Potential Risks:**

Water buffola mozzarella cheese is now available in UK. British people start  
to produce buffola mozzarella in UK at the end of the 2009.

Different languages (English-Italian) and it can be affects communications  
between employer or conflicts in customs.

Water buffola mozzarella cheese is a dairy product and if there is no right temperature or refrigerated fridge, it can be fall down or go sour.

UK's currency system is different than all EU countries and foreign countries should be carefull about these kind of differences when they are paying payments or taxes.

There are lots of competitors in cheese market in UK.

Mozzarella production is big business in Italy, with herds of a quarter of a million buffalo producing a total of 33, 000 tonnes of mozzarella cheese each year, 16% of which is exported. But last years, the dioxin level in cheese found in high level. The mozzarella cheese companies have to be carefull the percentages of dioxin. If they do not be careful the dioxin level inside the cheeses , it has risk a ban.

Late deliveries can be a risk

Climate change such as bad weather conditions

Political conflicts between two countries

## **CONCLUSION**

I search that, how I import water buffola mozzarella cheese from Italy to UK. I start my writing with introduction and I continue it to give a brief information about my product which is mozzarella cheese. Then, I analyse marketing plan and the factors that affect internetional purchasing. I explain PESTLE analysis and I analyse how these factors affect my import and my product. In second part, I write supply chain strategies of my purchase with process map

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and cost analysis. In final part, I analyse the SWOT analysis with showing the potential risks and benefits of this import.