

Food and beverages industry



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The food and beverages industry is one of the largest marketplaces in the world. Huge corporations with well known brand names dominate the food and beverages sector, but there is still plenty of room for growing businesses to pursue high yield opportunities and carve out their piece of the pie.

Traditionally, the dining patterns and dining customs of people differ across the globe. The time, at which different meals are taken, the quantity, preferred tastes, etc... have significant differences in different countries. Yet, breakfast is considered to be an important meal in all regions whether their other meals are lunch and supper (evening meal) or lunch and dinner.

The importance of starting the day with breakfast is well recognized. Recent research has identified that children who skip breakfast have more difficulty in paying attention in the classroom, cannot remember new information, do not do as well at problem-solving and may not even talk as well as children who eat breakfast.

Even though the importance of breakfast is well recognized, research studies also have found out many people are not in the habit of eating breakfast at all, or eat it only occasionally. This situation is evident in Australia as well. The main reasons for not eating breakfast is to save time and because the breakfast skippers do not feel like eating in the morning.

The purpose of developing the TILBURGERS' breakfast shake is to target the breakfast skippers who want to save time and who do not feel like eating traditional breakfast in the morning.

Why should -TILBURGERS- diversify to a breakfast shake?

At TILBURGERS I have specialized in health food since 1940. Even before healthy living became fashionable I were committed to it and thus, I have accumulated much expertise and a fine reputation among consumers and retailers as producers of quality health food. Range of ready-to-eat food that contain Lo-Krim and or Lo sweet natural substitutes for fresh cream and sugar respectively are extremely popular in the market. Existing product range is targeted at regular breakfast eaters who are health conscious, where I followed a niche market strategy.

To seek growth opportunities, in order to enhance the sustainability of the business and also in order to exploit expertise and strong reputation, this marketing plan proposes a multi segmenting approach that targets different segments with different products (Existing product range is targeted at regular breakfast eaters and the new breakfast shake is targeted at breakfast skippers).

Identification of Key Success Factors (KSF) for the new product: TILBURGERS breakfast shake.

In order to ensure the success of the new product – TILBURGERS' breakfast shake- the following key success factors were identified. Close attention must be paid to the following key success factors.

Product Specific:

- Quality of process & product.
- Freshness at serve-time.
- Variety of tastes & preferences.

Distribution:

- Fast delivery (To retailers).
- Optimum delivery costs.

Organizational:

- Strong Corporate branding and product branding.

Manufacturing related:

- Low cost production.
- Quality of manufacturing.

Marketing related:

- Smart advertising/promotions covering the target segments.

Thus, new product TILBURGERS' Breakfast Shake seeks to target the market segment “ breakfast skippers” that I believe are underserved and develop a long standing market by concentrating on the above key success factors.

Chapter 02: Analysis:

In order to analyse the suitability of TILBURGERS' breakfast shake, a SWOT analysis, a PEST analysis and a 5-forces analysis are presented.

SWOT Analysis:

In order to identify the strengths and weaknesses of the company along with the opportunities and threats a SWOT analysis is conducted below.

Strengths:

- Industry expertise.
- Reputation among consumers & retailers (Goodwill).
- Strong relationship with the retailers.
- The retailers PUSH strategy to TILBURGERS products.
- Strong Corporate Branding: TILBURGERS family brand name.

- The patented & trademarked ingredients.
- The ingredients are natural substitutes to sugar and cream.
- Excess Capacity.
- Innovative Products.
- The characteristics of the TILBURGERS breakfast shake suits the target market requirements.

Weaknesses:

- Not using proper advertising mechanism.
- Making decision without real research.
- Not present in the mainstream market.

Opportunities:

A market segment that has not been catered: Research indicates that 8% of the Australians do not eat breakfast at all while another 34% skip breakfast at some point during the working week. The reasons for skipping breakfast are to save time and because the breakfast skippers do not feel like eating.

A product like TILBURGERS' breakfast shake that has just been developed can cater to this market. At the same time TILBURGERS' breakfast shake will ensure the presence of TILBURGERS in the mainstream market that is currently gaining popularity.

Threats:

- Perception that breakfast drinks are not a complete breakfast.
- Threat of substitutes.
- Threat of competition.
- Less customer loyalty in the mainstream markets.
- Product cannibalization.

- Health food stores withdrawing from the TILBURGERS products.
- Risk of diversification.

Five Forces Analysis:**Threat of competition:**

Major players such as Kelloggs, Uncle Tobys and Sanitarium have failed to focus on the breakfast skippers. Even though there have been some new versions of traditional cereals such as Uncle Toby's breakfast bars introduced, these have done little to alter the eating habits of the breakfast skippers. Or in other words these products have failed to attract and retain the breakfast skippers.

Even though TILBURGERS will have to compete with these products, since it is an unique product of its kind that matches the requirements of its target market -the breakfast skippers- more than any other product TILBURGERS have an advantage over these brands in this market segment.

But somewhat similar milk products, such as MILO have been introduced to the market in recent times and they have gained popularity to some extent. But since our bodies are conditioned to feel full after having solid, in the society breakfast drinks are seldom regarded as full breakfast even though it has been advertised as full breakfast.

But since TILBURGERS is a product that has the thick consistency of a milk shake it is a filling product and thus has an advantage over other milk drinks such as Milo.

Therefore, in terms of competition TILBURGERS is in a favorable position.

Threat of Substitutes:

The cereal products can be thought as substitutes to some extent and as a result there would be threats of substitutes from major players such as Kelloggs, Uncle Tobys and Sanitarium.

Consumers have been skeptical about the nutritional value of the cereal brands in the recent times and as a result they have started to look down at the cereal products in the market. Even though cereal products have been enjoying steady growth in demand after people started moving away from the traditional cooked breakfasts, in the very recent times there has been a decline in the demand for them as a result of the doubts related to nutritional values. Retailers have also shown dissatisfaction about devoting much shelf space for a declining product category.

There are many other substitutes varying from traditional cooked breakfast to cereal. But in the target market of breakfast skippers TILBURGERS breakfast shake has an added advantage since it exactly matches the requirements (time saving and not liking to eat in the morning). And thus, TILBURGERS is in a favorable position in terms of substitutes.

Bargaining power of suppliers:

The ingredients of the TILBURGERS breakfast shake are natural ingredients that are available. At the same time TILBURGERS has the patent over its ingredients and thus is in a favorable position in terms of the bargaining power of suppliers.

Threat from new entrants:

This industry needs a moderate amount of capital to enter in to, but even if new entrants enter in to the market since TILBURGERS has obtained the patents for the ingredients for a period of 20 years from year 2000, the products can not be copied. As a result TILBURGERS has the upper hand in terms of threats coming from substitutes and is in a favorable position.

Bargaining power of customers:

The target market for the breakfast shake is the breakfast skippers. Even though many products exist that they can actually try out TILBURGERS breakfast shake is a unique product that matches the requirements of the segment. Yet the customer loyalty for any food product in this segment is still low as they have been in the habit of skipping breakfast. Thus the bargaining power of buyers is moderate. The above 5-forces analysis conducted indicate that the industry is very much favorable to TILBURGERS breakfast shake. TILBURGERS is in a very good position to exploit this target market segment with the breakfast shake. The above PEST analysis and 5-Forces analysis indicate a favorable position for TILBURGERS to enter this market with the new product.

Chapter 03: Marketing Strategy:

It is a known fact that marketing is the function which can be directly identified as the prime income generation method of a company. The ability of income generation depends on the strength and success of the marketing strategy and the marketing objectives which emerge from the followed strategy. Wikipedia defines marketing strategy as “ process that can allow an organization to concentrate its limited resources on the greatest

opportunities to increase sales and achieve a sustainable competitive advantage.”

According to the research results I can identify that there exist an unexploited market segment of breakfast skippers (who always skip breakfast and who rarely skip breakfast) due to 2 reasons being time and personal preference to not eat breakfast. Thus, TILBURGERS’ breakfast shake which is an ideal breakfast for the people who skip breakfast due to the above two reasons will be introduced.

The current market strategy is a diversification strategy where the company will be introducing a new product to a new target market. At the same time it will operate its current product range. The current product range TILBURGERS’ Ready-to-Eat range will be offered to the regular breakfast eaters whereas the new product TILBURGERS’ breakfast shake will be offered to a different target market which is breakfast skippers. As a result with the introduction of the breakfast shake TILBURGERS will be following a multi segmenting target market strategy.

Product positioning:

The existing product range of TILBURGERS will be positioned as a healthy breakfast for the regular breakfast eaters. That is, the target market for the existing product range would be the regular breakfast eaters (e. g.: Baby boomers who are health conscious and who rarely miss breakfast, Elderly retired generation who have time to enjoy a leisurely breakfast). Therefore the promotion campaign for existing product range would be under the logo: “ To keep you healthy... When you have the time!”

The existing product range will only be available at the health food stores.

The newly developed product the TILBURGERS' Breakfast Shake will be positioned as a healthy breakfast for the breakfast skippers. The target market for the breakfast shake would be the breakfast skippers (e. g.:- Working population, school children, and other regular and occasional breakfast skippers). Therefore the promotion campaign for the TILBURGERS breakfast shake will be under the logos: “ To keep you healthy... Because Mother loves you the most!” for the target market of school children and “ To keep you healthy... Even when life gets too busy!” for the breakfast skippers.

Chapter 04: Marketing Objectives

Marketing Objectives statement presented below is a statement of what is to be accomplished through marketing activities. It is necessary for a business to establish a list of objectives so that strategy can be drafted to achieve these objectives. This is based on careful study of SWOT analysis which I have presented above.

Short Term Objectives:

- Enter into agreements with the health food stores to promote TILBURGERS breakfast shake in order for them to get incentives on the existing product range.
- Complete the partnership formation with school canteens, office canteens and other mainstream outlets.
- Enter into the contracts with suppliers of ingredients & packaging.
- Conduct an aggressive promotional campaign for two months from commenced date.

- Name 1st of December as the “ TILBURGERS Day” and conduct a promotion program conducted by a sports star.

Long Term:

- The long term objectives of the TILBURGERS is to build very strong brand equity and gain acknowledgement in all the market segments that targeting.
- In 5 years time, TILBURGERS will be acknowledged as the preferred name among health conscious consumers as the manufacturer and distributor of Breakfast products in Australia with very strong brand equity.
- TILBURGERS will open branches in other parts of Australia as necessary within 5- 7 years.
- TILBURGERS will go through product & process reengineering to support changes in customers’ needs.

- **Chapter 05: The marketing Mix: 4Ps**

Product:

The TILBURGERS’ breakfast shake comes under a diversification strategy as it is a new product that is still in the initial stage of the product life cycle and is being offered to a new market.

Product specifications:

The TILBURGERS’ breakfast shake is made out of a new product formula. The ingredients include soy bean, dairy products and rice which are natural ingredients. It will have a high nutritional value as it will contain fiber, vitamins, calcium and carbohydrates. The main characteristics of the product include the following:

- Nutritional
- Made out of natural ingredients
- High quality
- Has the consistency of a thick milkshake and is therefore, filling
- Convenient
- Portable
- Ready to drink
- Available in different flavors: TILBURGERS' breakfast shake will be available in different flavors. Vanilla, Chocolate and Strawberry flavors will be available. This will add a variety to the regular customers.
- Standard size: 500ml

Product Design:

The TILBURGERS' breakfast shake will be offered in a trendy “ cup shaped” container. For different flavors the color of the container will change. The container will have a label with the TILBURGER corporate brand and TILBURGERS' breakfast shake product brand.

Packaging:

In order to package the TILBURGERS' breakfast shake a patented package will be used. This package will allow the breakfast shake to last up to 12 hours after opening and un-refrigerated. This special feature in the package would allow the drink to remain fresh and this will facilitate the target market who is otherwise breakfast skippers to consume the breakfast shake even while working.

The packaging will ensure that the breakfast shake is portable so that it will be convenient for the consumer.

The package will be in a shape that will facilitate easy and efficient storage. In retail outlets when storing the breakfast shake, the storage space will be used effectively because of the shape of the container.

Information such as the manufacturing date, expiry date, ingredients, etc... will be printed on the label on the container.

Price:

Pricing is considered to be the most important component in the promotional mix. However, the non-existence of directly competing products (i. e. me-too type) allows TILBURGERS to have a much more freedom in setting up the price.

Place:

Place of availability is of utmost importance because that facilitates the product to reach its target market. TILBURGERS' breakfast shake will be available at the;

- School canteens.
- Office canteens.
- Mainstream markets.
 - Small food outlets such as lunch bars, delis, sandwich shops, snack shops, etc...
 - Supermarkets.
- Health Food Stores.

In all the above out lets the breakfast shake will be available at the same price TILBURGERS will set a maximum retail price. In order to ensure that the Health food store don't see the TILBURGERS' breakfast shake as competing product with TILBURGERS' Ready-to-Eat range, the incentives given to the health stores on Ready-to-Eat range will be linked to the sales volumes of breakfast shake.

In addition to the above locations the breakfast shake will be available in exhibitions, school sports meets, etc...

Promotion Strategy:

The promotion strategy of the TILBURGERS breakfast shake is a vital factor not only for the success of the newly developed breakfast shake but also for the existing product range of TILBURGERS. If the new product is not positioned and promoted properly that might act as a competitive product for the existing product range and as a result competition may be created among the two.

The promotion strategy of the TILBURGERS would be a combination of a push and a pull strategy.

Conclusion:

From market analysis it has been found that an opportunity exist in developing a product for the breakfast skippers who skip breakfast to save time and because they dislike eating in the morning. In order to do this a SWOT analysis, and also a 5-forces analysis was carried out and since the analysis indicated that it is favorable to exploit this opportunity this marketing plan was developed.

The newly developed product – TILBURGERS Breakfast shake – is a Nutritional drink that is made out of natural ingredients, that is of high quality, that has the consistency of a thick milkshake and is therefore, filling, convenient, portable and is in ready to drink form. This drink will be available in standard size: 500ml in different flavors.

The report contains a marketing strategy for the introduction of the new product.

The new product will be available in both mainstream market and health food stores and will be sold at a set maximum retail price at all outlets. The product will be promoted by using both a pull and a push strategy.

A multi segment marketing strategy is proposed for TILBURGERS in this marketing plan where the importance of corporate branding and product branding is highlighted.

Following the marketing plan presented above will lead the new product introduction project to success.

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