

Godiva chocolatier swot

[Finance](#), [Financial Analysis](#)



Introduction Godiva has for a long time now being among the leading corporations in its area of expertise, chocolate. Currently, it records a sale of 500 million USD per year. It offers a very interactive, as well as customer service, where consumers are able to feel the staffs' sincerity. Company history Godiva Chocolatier is a multinational Company that deals with manufacturing of premium chocolates and other products related to chocolates. Godiva was founded in 1926, in Belgium, but later purchased by the Turkish Yildiz Holdings, the owner of Ulker Group.

It opened its first boutique shop in the Grand Place in Brussels. The company went global through opening its first shop outside Belgium in Paris, France in 1958. The company expanded further and by 1966, the company products had reached United States where most of the products were sold mostly in luxury strip malls. Godiva has more than 600 retail shops and boutiques that it owns and operates in various countries such as United States, Asia, Europe, as well as Canada.

The corporation is also available through more than 10, 000 specialty retailers. This company, in addition, to chocolates offers other products such as truffles, biscuit, and fruits, cocoa, among several other foods and beverages (Godiva History and FAQ (2004)). The company by the year 2007 had reported annual sales of 500 million USD. It is in the same year that the company announced its interest in exploring various strategic alternatives among them being divestiture.

However, in December, 2007, the company announced its interest in selling Godiva to one of the largest and prominent consumer goods manufacturer in the Turkish food industry, and by 2008, the process was completed, and Yildiz

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Holdings gained ownership of this company (Adelman, Andrews, & Lee, 2007). Currently, this company continues to own and carry its operations in with more than 400 shops globally. The company has embraced the new technology of online shopping and currently it issues 6 seasonal mail order catalogs annually in United States, as well as accepting online and telephone orders for their goods (Godiva History and FAQ (2004)).

Godiva operations in Singapore Singapore can be an interesting market to penetrate through direct investment or franchising. Godiva has directly invested in Singapore through setting up shops and boutiques in several cities in Singapore. This country is strategically situated at the southern tip of the Malaysian Peninsula. It consists of Singapore islands, several islets within its territorial waters. The land is characterized by undulated land with low hills. Therefore, the country is well accessible due to its accessibility through land, water, and air.

Singapore is currently regarded as one of the most dynamic cities globally where people can work, invest, and live in (Ghosh, 2010). It is globally connected with a multicultural and international city states and towns and offers one of the best conducive environments globally to do business and for success driven industries. For about four decades now, Singapore has undergone tremendous transformation from a place of national business to one of the world's prominent financial centers, sea hubs and international airports.

Additionally, it has become one of the most open economies for both trade and investment nationally and globally. Companies and organizations operating in this country are guaranteed access to competent and unbiased

judicial system, transparency and consistence in government guidelines, implementation of strong and good corporate governance policy, as well as anticorruption policies. Godiva, after carefully market research in Singapore, developed strategies of entering into this market. Godiva Company has invested directly through setting up store and shops for selling its products.

It has three stores in this country that are situated in main locations, for example, in large cities and islands where there is easy accessibility and convenient for customers shopping their products. There are vast Infrastructures in this country, and thus the company has taken this opportunity and introduced online shopping for its products. The products in this market are not only purchased through the retail shop, but through online services where the customers purchase chocolate products in the comfort of their homes.

The company has a plan of diverting more attention to Singapore, since Singapore is one of the wealthiest and prosperous nations and thus the demand for premium goods and services is high. Additionally, it has a population of approximately 5 million with a growth rate of about 24%. Therefore, this gives the company a wider target market. Competitive analysis Godiva has many competitors situated in Singapore. It faces competition from both local and international industries. For example, Royce and the Chocolate Research Facility is a local company in Singapore and a rival of this company.

Other competitors in this industry include Leonidas, and Teuscher, among others. However, despite the harsh competition in this industry, this company has always been talked about by the lovers of chocolate. They trust

and remain loyal to the company since the company is well known in the provision of high class and premium products which satisfy the customers. Therefore, despite the advantage the other competitors could have in this industry, for example, the local company, it still have a competitive edge in terms of winning the customer loyalty through providing products of substance.

Future of the company in Singapore According to the forecast made in Singapore, there will be a 17% growth rate for the chocolate industry. Majority of the customers of Godiva Company are age group of between 30 and 40 years who are in the working class and, therefore, can afford these premium products. However, according to research, the economy is expected to pick up, and thus younger people from the age of between 20-30 years will increasingly earn more income, and they will be more willing to spend more as their disposable income increases.

This group of consumers mostly looks for premium and highly customized products. Therefore, the company will be better situated to compete in this industry. Godiva Gems products and brand Godiva offers its chocolate products in various brands and variety of flavors in order to capture a wider market, as well as meet all the customers' demands and specifications. Some of the flavors include truffles, fresh creams, fruits, chocolate bars, caramels, among several others. The customer has created a variety of more than seventy products of those customers who demand customized goods.

The company, in addition, offers other more than 100 varieties for various occasions such as for gifts personal indulgence, special occasions like cocktail meetings and home entertaining chocolate products. Traditionally,

the company use to pack the products in Godiva's classic gold ballotin, but currently the company has styled up and now uses stylish seasonal packaging for all its customers. In addition, the company sells other complementary products to these chocolates products which include Godiva ice cream, Godiva white chocolate liquor, among others.

Godiva customize its chocolate products to meet and fit in the demand of local cultures. For example, the taste and flavors of Godiva products in US is different from that of Europe. A lot of milk and sugar products are added when preparing chocolate for American market. Godiva's Marketing Strategy for Godiva Gem in Singapore Market segmentation Marketing segmentation is significant for any business that wants to excel in any industry. It helps a company identify segments with similar characteristics such as buying behavior (Zonis, 2009). Godiva chocolates have created two segment; corporate segment and affluent retail market.

The corporate segment has two main groups for a particular purpose. The first key group is for business gifts giving. This is a round the clock market but does not have peak times during holiday gifts and presents giving season. The other group in the corporate segment is for corporate incentives programs. These programs are exploited by corporate rewards, sales incentives, as well as recognition. The affluent retail market entails retails clients and customers who have a preference for premium and expensive products. The largest group for these products is found in London.

In Singapore, the market can be divided to include the haves and the have not. The market can be divided to reach those with low earnings, as well as those with high earnings ((Cohen, 2004). Product differentiation Godiva is an

established company in many parts of the world and have won the trust and loyalty of many customers globally. In Singapore, though the products are expensive, many customers prefer buying from Godiva shops as opposed to other shops in the same industry. This is because the company positioned its products to offer high premium products and of a different variety.

Therefore, many customers are aware of the quality of the Godiva products, and, therefore, remain loyal to the company despite the increase in price. This gives this company a competitive edge in this industry. Product positioning Product positioning is the unique way of offering the products in the market. Godiva company apart from offering exceptional products in terms of quality, it has a variety of packaging which attracts customers. For example, many customers require custom made products and package which the company is able to offer widely.

In addition, there are varieties of products for different occasions such as for special gifts. The company has over 100 varieties of products for various occasions. This gives it a competitive edge over the other companies in this industry since it is able to tap a bigger market. Marketing target Godiva chocolate deals with Chocolates products and, therefore, the main target of its market is chocolate lovers. These are people mostly love indulging in rich and delicious products, for example, products in the world of chocolate.

The company has a variety of products that it offers in the market depending on the customers demands. Some of the varieties of products include white chocolate, fruit , dark chocolate, milk chocolate, chocolate shakes, among other varieties. The target market of Godiva consists mostly of the world class or the rich since the chocolate products are expensive and

are only affordable to the rich. To capture this world class group, the company offers a variety of packaging designs, which are artfully designed to fit the targeted people. Product strategy

Godiva chocolate shops and boutiques offer a wide variety of their super-premium selections chocolates products. The selection includes the company newly introduced chocolate products which include Nippon, Romaine, seventy two percent cocoa Demitasse, and Creole. Godiva Company has placed its products where customers can easily access them. For example, it offers a variety of products in its website to enable customers view the existing products and the latest products. The products are also available for online shopping to enable the customers shop from their homes.

Packing of products, on the other hand, differs from country to country to meet different needs of the customer. For example, in United States chocolates are pre-packed but in Singapore, chocolates collections are custom made. The company has a new packing strategy, which is to sell chocolates in assortments, which are hand made so as to enhance innovation, as well as differentiation from competitors. Price In Europe, Godiva does not have much say in terms of setting up prices for their products.

This is because the prices were standardized by the European Union, and; therefore, the company must comply with the union and standardize its prices. The price has also increased for most of the Godiva products, and the market has not yet accepted. The company wishes to borrow a leaf from the wine tasting that were held at local wine shop, and educate its consumers on why it is worth to buy chocolate products at the set price. In addition, the

forecast shows that there will be an increase in the growth rate and; therefore, the economy is expected to pick up.

The company, therefore, is deciding on working on the quality of the product to be reflected in the high prices set. Many people will also be able to afford these products at that price because the income will go up and so will their disposable income. The pricing strategy includes establishing further premium pricing on those products that are best selling for retail rich segments and come up with the best pricing and volume combination. For the affluent retail segment, which have achieved an average growth rate, the company plans on maintaining the current pricing for the rest of the products.

Introduction of discount pricing for all the corporate segment for the first time client, and also a for longer time clients, that is, those clients that have been in business for more than three years. This strategy is for helping in attracting more clients, as well as maintaining the existing ones. Channels of distribution The company first decides to increase its distribution channels in London without necessary increasing its investment in actual stores. This will be done through association with third party premium retail channels.

The company desires to increase distribution channels outside London utilizing similar associate if the strategy works in London. The aim of this strategy is to decrease the investment in stores which in the past has been seen to negatively impact on returns of this company. The company has various options to consider, for example, to distribute the chocolate premium products aggressively across many channels. However, this would have a large drawback on the company since it would dilute the premium luxury

brand name. The second option would be to identify premium retail channels of distributions and utilize them.

One possible premium retail channel tie-up that can be considered is Starbucks Coffee. Promotion strategy The aim of Godiva promotion message into the global and common campaign is to unify its advertising message. However, this strategy is difficult because of the difference in the individual market around the world. The company has a new goal in promotion, which is to raise the rate of the purchase of chocolate products for gifts, special occasions, and for self consumption. In addition, the company in its advertising campaign wants to give the brand name a youthful appearance.

Since women do most of the purchasing, advertising should, therefore, focus on women magazines and billboards. In entering new markets, the company will focus on the product and its promotions. Therefore, the company should develop an initial promotion strategy in order to gain some market share in Singapore. The company can start with giving free samples in order to create free publicity. Another form of advertising that Godiva can introduce is the Godiva Theater. Godiva Theater is a domestic strategy that can be used in promotion of products, in Singapore.

Customers through this promotion strategy can watch their chocolate products produced through the glass viewing area, and they can, therefore, enjoy chocolate fresh made. The strategy of unifying Godiva image globally is a viable strategy. However, having conflicting brand images can cause confusion and misunderstanding between markets, as well as in the company. Since Singapore is a technologically advanced state, Godiva

should design its advertising to be mostly on televisions and internet. The company should also try to get a celebrity to use in advertising.

This is because; having a celebrity or a role model promote the chocolate products, as well as the company's image will increase the interest of Godiva and its products. The company, once the brand is accepted in the market can go back to the word of mouth form of advertising. Godiva Company uses two types of production methods in manufacturing various sizes and shapes of the chocolates products. They include enrobing and shell-molding. Shell molding is mostly practiced in Europe and is used in manufacturing most of the Godiva chocolates. This method has enabled the company to design unique olds, giving them unique style, and sophisticated confections, which are easily recognized as Godiva. When these collections of the shell-molded chocolates are packed in one of the stylish package, they become appealing even to the most discerning customers in the market. Conclusion and recommendations Godiva is one of the most prominent companies in the chocolate industry. According to the above analysis, this company is highly preferred by many lovers of chocolate in all the place its has set stores. In Singapore particularly, the company is exceedingly doing well.

This is because of its exceptional chocolate products in terms of quality, packaging and variety of chocolate products. The company, therefore, despite the increase in the prices of its products still attracts a substantial number of customers that can sustain it in the market. My recommendation would be since according to forecast, the Singapore economy is expected to rise in the future, which means the people earnings will go up including the youth of below 30 years, the products should be given a youthful appearance

to attract the youth. This will consequently increase the target market for Godiva products.