

Distribution strategy

[Business](#), [Strategy](#)



It is one of the leading companies in Japan in the manufacturing and selling business of Dairy products. Having its headquarters in Tokyo, It is a dairy products item producing company which was founded in April 1917. Company has its operations in Japan, Australia, Thailand, Hong Kong, China, Taiwan, and Vietnam. It is headquartered in Tokyo, Japan. (Data monitor) It has a diverse product profile which includes following products. (Meiji Dairies Corporation n. d.)

- Milk and beverages
- Yogurt
- Ice-cream
- Food Products
- Childcare and health food products
- Nutritional performance food
- Frozen foods
- Foods for commercial use (Meiji Dairies Corporation n. d.)

Mission Statement

Our mission is to widen the world of “Tastiness and Enjoyment” and meet all expectations regarding “Health and Reassurance.” Our wish is to be closely in tune with our customers' feelings and to always be there to brighten their daily lives. Our responsibility as “Food and Health” professionals is to continue finding innovative ways to meet our customers' needs, today and tomorrow.

General Marketing Strategy

Meiji Dairy Corporation deals in all kind of dairy products having their main aim to be the leading organization of food market. The company's basic target market is domestic and overseas markets in Asia and Australia. Company highly values innovation as the success factor. By innovation, diversification, and strong marketing, Meiji managed to become the comprehensive food supplier in Asian market. Innovation: It is basically identification and analysis of new product development that is in line with the company's mission. It is also known as new product development. (Hill and Sullivan, 1996)

Meiji Dairy Corporation has often used this strategy to become the market leader in dairy products. Diversification: It is a corporate strategy that helps in increasing profitability through greater sales obtained from new products and new markets. (Marketing n. d.) The company has diversified its product line which paid off making it the largest seller of milk in Asia in 2008. The company did diversification by mergers of milk producers in different countries and also by joint ventures. They entered the Chinese market through joint venture. (Encyclopedia n. d.)

Positioning:

Positioning is the designing the product and its image in consumers mind. Meiji has positioned their product as a healthy product. The brand has been positioned for all people specially targeting health conscious people. (answers n. d.)

Segmentation:

Segmentation is a useful strategy which divides the people with similar needs and wants into groups. (Marketingteacher). Meiji has not bound its product to any age group, life style or on the basis of any other demographic characteristics. The brand is for all the users in different life styles and age groups.

Marketing and Distribution objectives:

They are the objectives that the marketing department needs to achieve. Whereas the distribution objectives are objectives that distribution needs to achieve to contribute to firms objectives. These decisions include the cost, selectivity, recruitment of distribution staff (stockists) etc. The distribution objectives for Meiji dairy products ? Minimize total distribution costs for a given service output ? Determine the target segments and the best channels for each segment ? Objectives may vary with product characteristics The marketing objective can be

- to achieve increased market share by 5 % in one year
- Inform target audience about features and benefits of our product and its competitive advantage, leading to a 10 percent increase in sales in one year.

The distribution objectives helps in achieving the marketing objectives thus overall Meiji's objectives. To achieve increased market share in china it needs to improve its distribution channel. It has to decide how Meiji wants its product to reach its final consumer. Situation Analysis for Channel Design A distribution channel is used by the company to make it reach the final consumer.

Meiji uses direct or indirect method of channel distribution. (E How).
MarketEnvironment: Market potential for the dairy product is very high in China. Since people are getting more and more health conscious now they prefer to eat healthy foods. Apart from being health conscious China is holding major events of the world like the Beijing Olympics. The Market size is also very high having around a population of 1 billion (geo hive) , China is the most populous country in the world hence a huge market to target. Having an intensive distribution system it can increase its sales.

Chinese government has played an important role in promoting dairy consumption in an effort to enhance citizens' nutrition under the slogan, " A glass of milk every day can make people stronger. " (LU, 2009). China is a huge market with great number of retailers, wholesalers, and agents. Meiji can provide its products to Chinese consumers by the indirect channel.
Demand Trend for Dairy Products The demand for milk is expected to grow as the people are getting more and more aware of the nutritious factors of dairy products.

Current Market Segments

Meiji is currently supplying its products to Japanese owned grocery stores in Shanghai to target the Japanese population and the Taiwanese population in Shanghai.

Opportunities:

- Growth in consumer awareness is directly related to word of mouth advertising
- The growth segment of the products life cycle will show consumers that Meiji is preferred over the others

- Changes in market segmentation will be a new path for new markets.

(Flavored Milk)

- Current targeted consumers become brand loyal to Meiji
- Ability to stay ahead of the competition by complying with new packaging and product laws even though it is not required to do so.

Distribution Strategy:

The distribution strategy is very important decision for Meiji Dairy Corporation. As it produces the products that are of short life, the products should reach the consumer in high quality. The shorter the chain of distribution, the more control Meiji will have on the presentation of the final products. Price setting is also a major factor in determining the distribution strategy as the merchandisers sets their own prices. Read about Dutch Lady Strength and Weaknesses

The two distribution strategies that Meiji can use are

- Intensive Distribution Strategy
- Selective Distribution Strategy

Intensive Distribution Strategy

In the intensive distribution strategy, Meiji should sell its products through every possible store. As dairy products are low involvement products that are bought on daily or weekly basis, it should make its products available in every conceivable product possible. It can develop an intensive distribution strategy that brings its products to every door, through effective communication, door-to-door sampling, and exciting consumer

promotions. The company should should use indirect and direct method of distribution.