

# [Overview of the company almarai business essay](https://assignbuster.com/overview-of-the-company-almarai-business-essay/)

The founder of Almarai is HH Prince Sultan Bin Mohammed Bin Saudi Al Kabeer who recognized the potential to transform the traditional dairy farming in Saudi Arabia in order to meet the needs of a growing domestic market. Numerous agricultural projects were developed under his guidance to achieve the objective of the company. Almarai stepped into the market with the processing of fresh milk and laban into the modern dairy farms.

The Company has invested heavily in technologically advanced production facilities and recruiting the right person for the right job. Almarai is considered to be the second and the larger Central Processing Plant with a new cheese plant along with it. On a daily basis, Almarai is capable of serving high quality and hygienic products to more than 43, 500 customers within the GCC countries.

In 2005, Almarai moved from being a privately owned Company to a publicly listed company and it has over 70, 000 shareholders.

In 2007, with the acquisition of Western Bakeries, Almarai expanded its product line to include bakery products which improved distribution, and product innovation.

The success of Almarai is because of its unique infrastructure which includes farms, dairy, juice and bakery processing plants. And also it is determined by the marketing and distribution expertise, all of which are working towards delivering a quality product to the consumer.

### Product / Services Details

1. Juices: Almarai always uses the best fruit to make the juices that the customers love. It maintains good balance between good health and great taste.
2. Home Snacks: Snacks products are the tastier and the simple one which would give relishing taste.
3. Yoghurts and Desserts: Pure and calcium-rich favorites for the entire family. Desserts are made from 100% natural, fresh cow’s milk.
4. Culinary Products: Almarai provides the tastiest cheeses, and richest creams which makes mother’s work easy in the kitchen.
5. Dairy Liquids: There is a complete range of delicious laban and milk based dairy products for the entire family.
6. Kids Products: Kids products prove to be a fun and a healthy bunch for kids.

### Product Mix and Product Line

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| Product Mix | Product Line |
| JuicesHome SnacksYoghurts and DessertsCulinary ProductsDairy LiquidsKids Products | Mixed Fruit, Strawberry, Alphonso Mango, Orange with Pulp, Orange, Orange and Carrot, Apple, Mango, Mango Mixed Fruit, Fruit Cocktail, Mixed Berry, lemon with Mint, Guava with Pulp.  Cream Jar Mix, Cheddar Jar Cheese, Sliced Cheese, Square Cheese Portions, Block Cheddar, Halloumi Cheese.  Yoghurt, Fresh Cream, Labneh, Layered fruit Yoghurt, Stirred Fruit Yoghurt, Sterilized Cream, Desserts.  Tinned Cheese, Butter, Ghee, Mozzarella Cheese, Feta Cheese, Whipping Cream, Tomato Paste.  Fresh laban, Fresh Milk, Flavored Fresh Milk, UHT Milk, Evaporated Milk, Advanced Nutrition.  Triangled Cheese, UHT Flavored Milk, Zady Drinking Yoghurt, Zady Flavored Yoghurt, Zady Jelly Custard, Zady Fruit Dairy Snack. |
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| Product Strategies Product Strategy is the most important function of a company. Almarai was successful because of its unique blend of state-of-the-art infrastructure which includes farms, production operations and go-to-market system. The company distributes its products annually which covers more than 110 million kilometers in delivering dairy, juice, bakery and poultry products reaching up to 41, 797 customers across six GCC states.  Ø Product Differentiation: In 1997, Almarai introduced fresh juice to complement the range of dairy products. Then the company for further expansion into bakery in 2007 with the acquisition of Western Bakeries.  In the year 2009, poultry was added through the acquisition with Hail Agricultural Development Company (HADCO).  During the same year, Almarai made acquisition with Mead Johnson Nutrition to form a 50-50 joint venture known as the International Pediatric Nutrition Company (IPNC).  Ø Product Positioning: The way a firm’s product, brand or organization is placed on the market so it is easily acceptable and recognizable by the customers.  \* Almarai launches UHT Flavored Milk with different flavours which are targeted at kids.  \* Almarai enters into the market of baby food which provided the company the opportunities of expansion into new categories. Price Determination Almarai decides its price on the basis of competition. For example, for a pack of 300ml of Orange with Pulp is priced at Dhs 2. 50 instead of Dhs 2. 00. This pricing strategy makes consumers perceive the products to be affordable. All other branded products are priced between the ranges from Dhs 2 to Dhs 4. Pricing Strategy Pricing refers to the methods adopted by the companies to price their products or services. The cost to produce and design a product, its cost to distribute and promote it must be included in pricing. Pricing a product too high or too low could mean a loss of sales for the organization.  Ø Cost Based Pricing: Almarai prices its products by following this strategy. It takes into account the cost of production and distribution, and then they decide final pricing for the products. Almarai milk as compared with Nadec Milk is less in price and also gives the same quantity as of Nadec. It is priced at Dhs 9 whereas Nadec Milk at Dhs 10.  Ø Product Line Pricing: Pricing different products within the same product range but at different prices. For example, for a pack of 1. 75L of Strawberry Juice costs around Dhs 8 whereas for a pack of 1. 75L of Orange Juice is priced at Dhs 7. Distribution Channels used Almarai has long-haul fleet which transports raw milk from dairy farms to the Central Processing Plants and then it transports the finished goods from the production site to different designated sales locations. Almarai reaches to more than 42, 000 shops within the GCC countries on daily basis. It ensures that the products are properly packed with appropriate temperatures for different products. The transports are specially designed so that the products are not spoiled and last for longer time.  Almarai transports the finished to small grocery stores and supermarkets. Almarai enjoys increasing incomes and demands that come from supermarkets where one shop for one’s weekly requirement in a single visit. Packaging Packaging means covering or protecting the product with one or more suitable materials for ease in handling, transportation and marketing. Packaging not only differentiates one brand from another but also gives a preview of the product.  Almarai ensures that all its products are properly packed and refrigerated in proper temperatures so that the products maintain its fresh nature and quality. Liquid products are transported in those transports which has refrigerator facility so that it does not get spoiled by over time. Almarai mainly emphasis on quality. Packaging is done in a very clear and uncluttered way so that it is easily recognizable. Promotion Almarai promotes its products through adopting various medium so that the product reaches the customers effectively.   * Newspaper Campaign – Front and inner page color advertisements in various popular newspapers like Khaleej Times, 7 Days, Gulf news…etc * Radio Campaign – Emphasizing on the taste promotional and discount factors which attracts flow of customers to buy the product. * Discounts – The products are given to customers on discount promotional basis which in turn earns not only increase in profit margin but also goodwill among the customers. For example, Recently Almarai gave discounts of Dhs 2 offer reduction on all its pack of 1. 75L Juices which was a new attraction even among the competitors. * TV Commercials – TV ads are considered as the most common medium for promoting the product. Almarai does regular TV commercials on different channels. It makes the advertisement so attractive especially when it comes for Kids products. * Billboards and Holdings – Almarai uses even this medium to promote its products and also to make people aware of its discounts and offerings. Almarai has such sites in different locations where people presence is more.  QuestionnaireDear Sir / Madam, I am a student of University of Bedfordshire conducting a Survey based on Almarai Company for my Marketing Course. I request you to fill this questionnaire. This data will be used only for educational purpose. Name:Gender:Occupation:Age: a) 15 – 25 b) 25 – 35  c) 35 – 45 d) Above 50 1. Do you drink Almarai Juices? a) Yes b) No 2. Which Flavor you like the most? a) Orange b) Mango c) Strawberry d) Lemon  e) Guava f) Cocktail g) Mixed Berry h) Apple 3. Which Brand of Juices you like the most? a) Almarai b) Al Rawabi c) Rani  d) Caesar e) Masafi f) Lacnor 4. What is the reason behind choosing your brand? a) Tasty b) Price c)Availability  d) Like e) Advertisement f) Quality 5. How much Quantity you purchase the most? a) 200ml b) 300ml  c) 1. 75L d) 1L 6. Have you tried any other Almarai products other than juices? a) Culinary Products (Tinned Cheese, Butter, Ghee, Feta Cheese, Whipping Cream)  b) Dairy Liquids (Fresh Laban, Fresh Milk, Flavored Fresh Milk, UHT Milk, Evaporated Milk, Advanced Nutrition)  c) Home Snacks (Cream Jar Cheese, Cheddar Jar Cheese, Sliced Cheese, Square Cheese Portions, Block Cheddar, Halloumi Cheese)  d) Yoghurts and Desserts (Yoghurt, Fresh Cream, Labneh, Layered Fruit Yoghurt, Stirred Fruit Yoghurt, Sterilized Cream, Desserts)  e) Kids Products (Triangled Cheese, UHT Flavored Milk, Zady Drinking Yoghurt, Zady Flavored Yoghurt, Zady Jelly Custard, Zady Fruit Dairy Snack) 7. Attractive discounts are offered? a) Agree b) Disagree c) Neutral 8. Are you satisfied with the Quality? a) Agree b) Disagree c) Neutral 9. Would you recommend Almarai products to your friends? a) Agree b) Disagree c) Neutral 10. What is your overall opinion about Almarai? a) Very Good b) Good c) Bad d) Very Bad e) Neutral |  |