

Overview of the company almarai business essay



**ASSIGN
BUSTER**

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

Product Mix	Product Line
Juices	Mixed
Home Snacks	Fruit,
Yoghurts and Desserts	Strawbe rry,
Culinary Products	Alphons
Dairy Liquids	o
Kids Products	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

,

Halloum

i

Cheese.

Yoghurt,

Fresh

Cream,

Labneh,

Layered

fruit

Yoghurt,

Stirred

Fruit

Yoghurt,

Sterilize

d

Cream,

Dessert

s.

Tinned

Cheese,

Butter,

Ghee,

Mozzare

lla

Cheese,

Feta

Cheese,

Whippin

g

Cream,

Tomato

Paste.

Fresh
laban,
Fresh
Milk,
Flavore
d Fresh
Milk,
UHT
Milk,
Evapora
ted
Milk,
Advanc
ed
Nutritio
n.
Triangle
d
Cheese,
UHT
Flavore
d Milk,
Zady
Drinking
Yoghurt,

Zady

Flavore

d

Yoghurt,

Zady

Jelly

Custard,

Zady

Fruit

Dairy

Snack.

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 – Emphasizin

