Macro enviroment essay



Contents Topic page 1. PRELIMINARY MATEIALS 1. Cover Page 2. Table of Contents 3. Summary 2. 0 BODY OF REPORT Analysis of Mars: 2. 1 Introduction 2. 2 Introduction to Mars description 2. 3 Mars history and development 2. 4 The Macro environment 2. 4. 1 Demographic forces 2. 4. 2 Economic Forces 2. 4. 3 Natural Forces 2. 4. 4 Technological Forces 2. 4. 5 Political Forces 2. 4. 6 Cultural Forces 2. 5 Organizations within the industry 2. 5. 1 Market Position 2. 5. 2 Target Markets 2. 5. 3 The Marketing Mix (4P's) 2. 5. 3. 1 Product 2. 5. 3. 2 Price 2. 5. 3. 3 Promotion 2. 5. 3. Place 2. 6. Strength and weakness of Mars 2. 6. 1 Strengths 2. 6. 2 Weaknesses 2. 6. 3 Opportunities 2. 6. 4 Threads 2. 7 Conclusion 2. 8 References 3. 0 BODY OF REPORT Analysis of Kit Kat: 3. 1 Introduction 3. 2 Introduction of Kit Kat description: 3. 3 Kit Kat history and brand development 3. 3. 1 Varieties product of Kit Kat 3. 4 Macro environment: 3. 4. 1 Demographic Force 3. 4. 2 Economic Force 3. 4. 3 Natural Force 3. 4. 4 Technological Force 3. 4. 5 Political Force 3. 4. 6 Cultural Force 3. 5 Organizations within the industry 3. 5. 1 Market Position 3. 5. 2 Target Markets 3. 5. 3 The Marketing Mix (4P's). 5. 3. 1 Product 3. 5. 3. 2 Price 3. 5. 3. 3 Promotion 3. 5. 3. 4 Place 3. 6 The analysis of the business environment 3. 6. 1 Strength 3. 6. 2 Weaknesses 3. 6. 3 Opportunities 3. 6. 4 Threat 3. 7 Conclusion 3. 8 References 1. 4 Summary In this assignment of brand analysis and information, products that I choose are chocolate brands. Two brand that been analyze is Mars and Kit Kat in China's Market. Basically, Mars Incorporated is a family owned company that produces some of the world's leading confectionery; food and pet care products and has a growing beverage and health & nutrition businesses.

Mars incorporated was founded in 1911. It operates in more than 65 countries and employed more than 40, 000 associates worldwide. The company's global sales are approximately \$21 billion annually. SWOT analysis is taken in consideration to match the company's strength to attractive opportunities in the environment, while estimating or overcoming the weakness and minimizing the threats Besides that, Kit Kat products are under Nestle Company. Nestle is the largest food company in the world measured by revenue.

Nestle was formed in 1905 by the merger of the Anglo-Swiss Company.

Nestle set several qualitative objectives on people who consume Kit Kat, with the vision that Kit Kat would be the natural choice for all breaks. Kit Kat is one of the world's leading chocolate brands. There were different variety of flavour and shape of Kit Kat products being develop. In macro environment, there are some factor that can have a big impact in it which includes demographic force, economic force, natural force, technological force, political force and cultural force.

SWOT analysis is taken in consideration to match the company's strength to attractive opportunities in the environment, while estimating or overcoming the weakness and minimizing the threats. ANALYSIS OF MARS 2. 1 INTRODUCTION Mars which is also called Mars bar is a chocolate bar manufactured by Mars, Incorporated. It was first manufactured in Slough, Berkshirein the United Kingdom in 1932 as a sweeter version of the US Milky Way bar which Mars, Inc. Produced. It was advertised to the trade as being made with Cadbury's chocolate as 'couverture'. In the United States, a different confection bears the Mars bar name.

Featuring nougat, soft caramel, and almonds coated in milk chocolate, the American Mars bar was relaunched in 2010 after being discontinued in 2002. Mars is a very private company, which rarely interacts with the media because it wants to be known for its products rather than its executives. The company's secrecy is legendary, and many rumors have circulated about the Mars' management skills and other business factors. The business' structure is unconventional with no executive offices and no executive parking spaces. Low ranking and high ranking executives sit together to improve functionality and communication.

Mars runs its business based on the philosophy of five principals: Quality: "
The consumer is our boss, quality is our work and value for money is our goal. Responsibility: " As individuals we demand the total responsibility from ourselves; as associates we support the responsibilities of others."

Mutuality: " A mutual benefit is a shared benefit; a shared benefit will endure." Efficiency: "We use resources to the full, waste nothing and do only what we can do best." Freedom: "We need freedom to shape our future; we need profit to remain free." 2. 2 INTRODUCTION TO MARS

DESCRIPTION

Mars, Incorporated is an American manufacturer of confectionery, pet food, and other food products with US\$30 billion in annual sales in 2010, and is ranked as the 5th largest privately held company in the United States by Forbes. Mars, Incorporated, through its subsidiaries, engages in producing and selling chocolates, pet care, and food products in the United States and internationally. It provides pet medicine, nutrition, and food products; readymade meals, sauces, relishes, and cooking aids; chocolates, chewing gums,

candies, and mints; and drinks, including hot chocolate drinks, teas, and coffees.

The company also offers insights to dog owners; DNA testing kits for canines; natural substrates to grow plants; and CocoaVia, which provides products that allow cocoa flavanols for healthy lifestyle. Mars believes in implementing their five guiding principles like quality, responsibility, mutuality, efficiency and freedom at all levels of choices made by the company, and the manner in which Mars does business. Mars, Incorporated is generating global sales of more than \$28 billion annually and operating in six business segments: Chocolate, Petcare, Wrigley Gum and Confections, Food, Drinks, and Symbioscience.

These sections produce some of the world's leading brands: Chocolate - M&M'S®, SNICKERS®, DOVE®, GALAXY®, MARS®, MILKY WAY® and TWIX®; Petcare - PEDIGREE®, WHISKAS®, SHEBA®, CESAR®, NUTRO®, GREENIES®, and ROYAL CANIN®; Wrigley - ORBIT®, EXTRA®, STARBURST®, DOUBLEMINT® and SKITTLES®; Food - UNCLE BEN'S®, DOLMIO®, EBLY®, MASTERFOODS® and SEEDS OF CHANGE®; Drinks - KLIX® and FLAVIA®; Symbioscience - WISDOM PANEL™, SERAMIS®, CIRKUHEALTH™ and COCOAPRO®. 2. 3 MARS HISTORY AND DEVELOPMENT

Mars Incorporated is a family owned company that produces some of the world's leading confectionery; food and pet care products and has a growing beverage and health & nutrition businesses. It was founded in 1911, the company manufactures and markets a variety of products under many of the world's most recognizable trademarks, including MILKYWAY®, M&M's®,

SNICKERS®, MARS®, UNCLE BEN'S® Rice, and PEDIGREE® and WHISKAS® pet care products. Its headquartered are in McLean, Virginia, Mars Incorporated operates in more than 65 countries and employed more than 40, 000 associates worldwide.

The company's global sales are approximately \$21 billion annually. Frank Mars was born in Minnesota, USA in 1882. Due to mild polio his walking was impaired. His mother taught him to hand dip chocolate as a means to keep him entertained. Frank married in 1902 and in 1904, Forrest Mars Sr. was born, in Minnesota. Frank Mars and his second wife started making and selling butter cream candies from their third home in Washington, in 1911. This led them to renting their first candy factory, the Mars Candy factory Inc, which employed 125 staff. In 1920, Frank moved to a larger site in Minnesota, which he called nougat house.

The Mar-o-bar was introduced to the candy range in 1922. With a larger site for distribution of this candy the Mar-o-bar company was launched. After three years of researching, the Milky Way candy bar was introduced and was an instant success. Sales increased and more staff was hired. In 1929 Mars incorporated, now with 200 staff, relocated from Minneapolis to Chicago. The central location of Chicago offered a better railroad access to the rest of the country. The Snickers bar was launched in 1930. Forrest Mars Snr arrived in the UK in Slough to start his own business in 1932.

The Mars confectionary business diversifies with the acquisition of the dog food business in the UK. M&M'S® Brand Milk Chocolate Candies were initially sold to the general public in 1941 and gained popularity from the American

GIs serving in World War II. The delicious confection was packed in a tube and served with their food rations. M&M'S® Milk Chocolate Candies were sold in the military as a neat, convenient snack that traveled well in any climate. By the late 1940s, M&M'S® Milk Chocolate Candies became widely available to the public and the reception was excellent.

As America entered the 1950s, M&M'S® Milk Chocolate Candies became a household name, particularly with the growth of television. In 1954, M&M'S® Peanut Chocolate Candies were introduced and the sales of both varieties continued to grow. That same year the universally loved M&M'S® Brand Characters and the famous slogan, "The Milk Chocolate Melts in Your Mouth, Not in Your Hand®," debuted in the brand's initial TV advertising. The popularity of M&M'S® Chocolate Candies continued throughout the 1960s and 1970s as the brand firmly established itself as an icon of American culture.

Even with decades of phenomenal success behind it, Mars North America never forgot that quality and consumer satisfaction were paramount.

M&M'S® Chocolate Candies have continued to be a part of recent American history. In 1982, M&M'S® Chocolate Candies were the first candy chosen by space shuttle astronauts to be included in their food supply. M&M'S® Chocolate Candies are now on permanent display at the space food exhibit of the National Air & Space Museum in Washington, D. C. In 1984, M&M'S® Chocolate Candies supported international athletes as the Official Snack of the 1984 Olympic Games in Los Angeles.

The 1990s brought two new products to the M&M'S® Chocolate Candies family. In 1990, the company began selling M&M'S® Peanut Butter Candies. M&M'S® Almond Chocolate Candies, first introduced as a seasonal product in 1988, went national in 1992. For many years, M&M'S® Chocolate Candies have offered a variety of vivid seasonal blends to highlight the holidays, including Christmas, Valentine's Day, Easter and Halloween. In 1995, consumers across the country became a part of M&M'S® Chocolate Candies history by voting the addition of a new color to the mix. Americans chose between pink, purple, blue or no change.

An astounding 10, 234, 142 votes later, the color blue won by a landslide and appeared in packages everywhere in September of that year. The year 1996 will be remembered as the year M&M'S® lovers began to customize their color combinations with 21 colors in special dispensers located in selected specialty stores across the country. In 2005, MY M&M'S® launched as a personalized printing option online at mymms. com, providing consumers the opportunity to print custom messages on a selection of 22 different colored M&M'S® to celebrate everyday occasions. The historic moment in 1997 was the debut of Ms. Green, the first femM&M'S® Character.

Ms. Green has starred in a number of commercials with the popular Emmy Award-winning comedian Dennis Miller. A multi-faceted motivational speaker and author, Green was on tour promoting her autobiography, I Melt For No One, and has quickly achieved the celebrity status of her male live-action colleagues – Red, Yellow and Blue M&M'S® Characters. In 1998, the M&M'S® Brand Spokescandies declared themselves the "Official Candy of the New Millennium™." Since MM means 2000 in Roman Numerals, M&M'S®

Chocolate Candies was the only candy brand that could make that connection, leveraging the Millennium fever for all it as worth. Another major milestone for the M&M'S® Brand occurred in early January 1999 with the national introduction of M&M'S® Crispy Chocolate Candies, a crispy rice center surrounded by milk chocolate and covered with a chocolate candy shell. At the same time, the M&M'S® Crispy Character made his debut for the 1999 Super Bowl. Crispy, the neurotic, orange Character, starred in seven different television spots featuring famous celebrities Halle Berry, Diedrich Bader and Patrick Warburton. In June of 2000, Red, the famous M&M'S® Spokescandy, had a celebration of his own.

After years of trying, Red finally convinced the company he didn't want to be called "Plain," anymore. As a result, the No. 1 candy brand in the world is now known as M&M'S® Milk Chocolate. M&M'S® Milk Chocolate Candies, its tagline now said, have the "Same Great Taste, Much Better Name." In 2002, M&M'S® asked the world, "What color would you choose?" in the first-ever GLOBAL COLOR VOTE™. The GLOBAL COLOR VOTE™ marked the largest promotion ever in the 61-year history of M&M'S®. Voters in more than 200 countries voted on which color – pink, purple or aqua – would join the famous M&M'S® mix.

Voters hailed from all ends of the Earth. Approximately 10 million votes were cast and purple was crowned the winning color. In 2004, the M&M'S® Brand experienced a color disruption where all M&M'S® turned black and white. The company launched the Great Color Quest contest, which led consumers to collect black and white M&M'S® bags. Six bags featuring all the colors were scattered across the country waiting to be found. Eventually the colors

returned with a larger signature " m" on each candy and a new blend of color for a brighter mix. The year 2006 marked the permanent introduction of M&M'S® Dark.

The brand declared "Dark Just Got Fun" by having the spokescandy Red appear in famous art masterpieces. Red first appeared playing hopscotch on Edvard Munch's famous existential masterpiece, "The Scream," which had been stolen from the Oslo Museum one year earlier in a highly publicized international art theft. The brand announced a reward of 2 million dark chocolate M&M'S® for the recovery. Just days after the announcement, the painting was found by Norwegian police, which begged the questions, "Was it the M&M'S®?" In 2007, M&M'S® revealed "Lady Liberty's" fun side with a 50-foot statue in New York Harbor.

The smiling statue kicked off a new campaign encouraging all Americans to find their Inner M&M (or fun side) inside of them at mms. com. The M&M'S® Brand has represented superior quality and enjoyment to consumers since Mr. Frank C. Mars founded the brand in 1940. The appeal of M&M'S® Chocolate Candies is universal, crossing age, gender and national boundaries and bringing colorful chocolate fun to everyone. On Valentine's Day 2008, Ms. Green fanned the flames on decades of speculation that The Green Ones hold special aphrodisiac powers.

The brand celebrated the myths, rumors and innuendo surrounding The Green Ones by displaying limited-edition all-green M&M'S® Chocolate Candies amidst the holiday's traditional sea of red and pink. Packages of the candies included the following disclaimer: "Consumption of The Green

Ones® may result in elevated Romance Levels. If you experience this effect, contact your Significant Other immediately. "An online campaign encouraged American fans to interact and show their support for Ms. Green in her quest to make green the new color of love.

Later in 2008, M&M'S® introduced a fun new way to experience premium chocolate through the introduction of M&M'S® Premiums – from the shimmering gem-like way the chocolate candy looked to the variety of exotic tastes, M&M'S® Premiums redefined the premium chocolate experience.

Today, there are more than nine permanent varieties of M&M'S® Chocolate Candies, and then Seasonal Candies made for special occasions including Easter, Halloween and Valentine's Day. Customers seem to be most passionate about the color found in each bag of M&M'S® Chocolate Candies.

Existing product lines include: M&M'S® Milk Chocolate Candies, M&M'S® Dark Chocolate Candies, M&M'S® Premiums, M&M'S® Peanut Chocolate Candies, M&M'S® Dark Chocolate Peanut Candies, M&M'S® Almond Chocolate Candies, M&M'S® Peanut Butter Chocolate Candies, M&M'® Chocolate Mini Baking Bits, MY M&M'S® Milk Chocolate Candies, and M&M'S® MINIS® Milk Chocolate Candies. SNICKERS The SNICKERS® Bar was first introduced to the public in 1930. The SNICKERS® name came from a favorite horse of the Mars family. SNICKERS® Bar is made of peanut butter nougat topped with caramel and roasted peanuts and covered with milk chocolate.

The peanuts are crisp-textured special grade, which have great flavor and stay fresh. From 1933 to 1935, SNICKERS® Bar was a two-piece bar and was

called "Double SNICKERS." In 1936, the bar returned to a single format.

During the next 50 years, the SNICKERS® Bar evolved into various sizes. In 1953, handy Snickers six-packs were created for in-home consumption. In 1979, "Fun-Size" SNICKERS® Bars hit candy shelves nationwide. In 1990, the introduction of bite-size SNICKERS® "Miniatures" proved satisfying to even the slightest of appetites.

In 1984, SNICKERS® Bar became the Official Snack Food sponsor of the Olympics in Los Angeles. SNICKERS® Brand launched its first ice cream product, the SNICKERS® Ice Cream Cone, during National Ice Cream Month in July 1994. The SNICKERS® Ice Cream Bar was introduced two years later in 1996. SNICKERS® Bar is currently the number-one-selling candy bar in the United States and is consistently named as the "Favorite Candy Brand" across all age groups in the U. S. SNICKERS® is sold in more than 70 countries around the world. In 2002, the UK Mars bar was reformulated and repackaged.

This made it sell for more money. The nougat was made lighter, the chocolate on top became thinner, and the overall weight of the bar was reduced slightly. This was met with outrage from Mars purists, as in a sales pitch to local media in Slough, the change in ingredients was to follow the trend of its sister the Milky Way bar and 5 Star bars. Product designers at The Mars Candy Company in the US put this down to nostalgia over the past hugely popular Starbar, which also contained the same reinvented ' light whipped nougatine. The packaging was also redesigned with a less-bold and a more cursive logo. The slogan " Pleasure you can't measure", was intended to appeal to a more feminine, youthful market. M&Ms Chocolate

Candies were first sold in the year 1941. The candies were consumed by World War II soldiers, as the candies were an easily packaged energy snack. Forrest Mars Sr. invented the M&Ms recipe after witnessing soldiers from the Spanish Civil War " eating pellets of chocolate encased in a hard sugary coating" (Mars Incorporated, 2008). These candies were easy to take along, as they id not melt easily. M&Ms Plain Chocolate Candies were very popular in the 1940s and 50s. Mars introduced M&Ms Peanut Chocolate Candies in 1954, along with the characters and slogan, " The milk chocolate melts in your mouth—not in your hand" ®. The original candies were chocolate colored, with red, yellow and green introduced in 1960, and orange in 1976. In 2000, the name " M&Ms Plain Chocolate Candies" was changed to " M&Ms Milk Chocolate Candies". Mars's purchase of Doane Petcare Company in June 2007 significantly increased its position in the U.

S. dry pet food category. In addition to these businesses, Mars also operates a chain of premium chocolate shops across the United States called Ethel's. These shops are an outgrowth of the Ethel M premium chocolate business that Forrest Mars started in Las Vegas in 1980 when he became bored with retirement. On April 28, 2008, Mars, Incorporated, together with Berkshire Hathaway Incorporated, announced the buyout of Wm. Wrigley Jr. Company, the world's largest chewing gum producer, for \$23 billion in an all-cash deal.

The two companies together are expected to generate sales in excess of \$27 billion. The company spent more than \$1. 8 million on lobbying during 2008, almost all of it at Patton Boggs, where it has long been one of the largest lobbying clients. Mars also spent \$10, 000 atSkadden, Arps, Slate, Meagher & Flom. In 2009, Mars also hired Ernst & Young to lobby on corporate and

international tax issues, including issues related to tax changes proposed by the Obama administration. The company spent another \$1, 655, 000 that year.

Until sold in June 2006, a division of Mars known as Mars Electronics
International produced, among other products, coin mechanisms such as
those used in vending machines. MEI also manufactured bill validators, which
were among the most common bill validators found in the US. A further Mars
business Four Square utilize those products formerly made at MEI in their
vending machines. Four Square comprises the Flavia and Klix brands.
Flavia operates within the US, UK and Japanese markets, while Klix operates
within UK, Germany and France.

In 2007, Mars, Incorporated undertook a major rebranding operation which saw, among other global changes, Four Square being renamed to Mars Drinks, the pet food division that is formerly part of Masterfoods being renamed to Mars Petfoods and Masterfoods itself (the largest division of Mars, Incorporated) being renamed to Mars Snacks. Mars has taken upon itself the responsibility of seeking to ensure that the company delivers mutual benefit to all with whom it interacts: associates, consumers, trade partners, our communities, and last but not least our planet.

With a firm belief that the company's actions should never be at the expense, economic or otherwise, of others with whom they work, Mars strongly believes that only success that is shared can be sustained and it is their goal to achieve this in all that they do. Mars firmly believes that contributing positively to the environment and local communities is critical to

the way the company does business. This includes the company's products, brands and operations.

Mars formulates and implements its business plan with a full understanding of the fact that the company's social, environmental and economic values and practices impact where Mars does business and how it operates, particularly given the scope and scale of the global environmental challenges. Mars also recognizes that their long-term economic growth is inter-linked with their ability to adhere to the definition of sustainability produced by the UN World Commission on Environment and Development in 1987; " development that meets the needs of the present without compromising the ability of future generations to meet their own needs. Mars' commitment to sustainability builds on the company's long-standing ethical commitment to the individual and the larger community. With the company's fundamental belief being that the only lasting success is shared success, this means success across the social, economic and environmental spectrum. The Mars Scientific Advisory Council (MSAC), established in 2007, extends the expertise and builds on the significant contributions of scientific advice provided through the Mars Nutrition Research Council which operated from 1998-2007.

Composed of highly recognized researchers from all over the world and operating as an independent, external source of expert advice to Mars, Incorporated, the MSAC provides objective, expert scientific advice to Mars, Incorporated on advances, opportunities, and barriers to progress in human and animal health and nutrition research, plant sciences and sustainability, and in other areas of research relevant to the Company's current and

potential future product lines. A global leader among snackfood and food brands, Mars, Incorporated has a long history of marketing its products responsibly.

Over the years Mars has adopted guidelines and policies for their advertising and marketing activities, reviewing and updating them periodically to reflect consumer feedback, new technologies, and the latest thinking by advertising self-regulatory bodies. The hallmark of Mars' marketing commitments is their industry-leading policy to not advertise their snack and other food products to children under the age of 12. Mars also aims to promote the consumption of their products in the context of a healthy, active lifestyle and a balanced diet. 2. 4 The Macro Environment 2. 4. 1 Demographic forces

This is attempted in terms of the consumers. The advertisements are aimed exclusively at the young and vigorous and almost exclusively at males. High income customers – it is estimated the age group buying the chocolates will be 22 onwards.. The customers are mostly urban, and are mostly professionals (engineers, doctors and executives. The psychographic profile: They can either be individuals indulging themselves, or they could be indulging their children. They are inner directed people who form their own values and norms and believe in not adhering blindly to social norms.

They are somewhat occasion driven in their buying behaviour. Middle income customers – it is estimated that the age group in this segment will be 15 plus. The consumers can be urban, semi urban, and is currently spreading to rural areas. The psychographic profile: they are likely to be variety seeking in their behaviour. They are self expressing by nature and inner directed to an

extent. They like to indulge themselves. Children - the upper age limit is estimated to be 12 years. They mostly purchase their chocolates with their pocket money.

The consumers can be urban, semi urban, and rural, though their is a somewhat greater emphasis on urban. The psychographic profile: they are novelty seeking in behaviour but they are also fun loving. 2. 4. 2 Economic forces In August last year the price of cocoa was threatening to sky rocket as large swathes of the cocoa plantations in Papua New Guinea were infested by the Asian Moth. The region produces some 17% of the world's cocoa. An infestation of a similar nature in Indonesia in 1998 caused some ? 13 million of damage. Mars were affected to such an extent that they sent out their own team to help eradicate the infestation.

Mars are continuing to test a number of anti moth measures. (www. metro. co. uk 2006). The recent business decision to begin producing and using animal based rennet in the Mars bar has been disastrous. The resulting back lash from consumers in the Islamic faith, vegetarians and those with a strong social view on the use of rennet extracted from the lining of a calf's stomach, has led to Mars making a U-turn on a business decision, apologising for its decision and giving an undertaking that they will return to producing a vegetarian product.

Although this issue could be regarded as a social factor, it is in fact an issue of economics as Mars have identified the effect this decision would have on its sales (www. bbc. co. uk 2007). There has been a growth in the chocolate market, the majority of which has been with the high quality, high value

products associated to some extent with the growth in disposable income across the developed world. The growth in the market has not necessarily had a positive effect on the sales of Mars due to the inexpensive and generic nature of the product. However, this nexpensive nature of the Mars Bar makes purchasing it an uncomplicated decision for consumers with no financial consequences that could lead the purchaser to regret making the original decision to purchase a Mars bar or to restrict the quantity or frequency of purchases. The largest markets for Mars are generally the more affluent and developed markets with little room for growth such as UK, USA, Canada, Australia and New Zealand. The emerging and developing markets of India and China with a combined population of nearly 2 Billion individuals is a virtually untapped market of consumers.

These markets would require a unique marketing strategy as although it has great potential, the regions are not known as great consumers of chocolate. Although a US product it is not known if the markets in India and China would take to it. For many geographic areas of both countries there would be concerns about refrigeration and chocolate melting, which would limit sales areas to main cities, and maybe bigger stores. nevertheless with the present level of mutual trade and the world's general love of all things western it may not be a cause for concern. . 4. 3 Natural forces The natural environment involves natural resources that are needed as inputs by marketers or that are affected by marketing activities. The green movement has encouraged and even demanded that firms produce strategies that are not only environmentally friendly but are also environmentally proactive. Firms are beginning to recognize the link between a healthy economy and a

healthy environment. There are large quantities of waste associated with the production of chocolate which includes waste chocolate product.

Over the last five years the Mars manufacturing plant in Australia has reduced the amount of waste it sends to landfill by 90%. For every 3000 tonnes of product produced every month, 220 tonnes of waste is produced. This is now fed to piglets. The animal waste is collected as fertilizer and the gases produced by the fermenting animal waste is burnt and used to generate electricity. These initiatives are reducing the costs to the business. However any positives are offset by the amount of waste that is being produced across the entire industry and at all the other Mars plants.

Mars also worked to reduce the quantity of plastic in its packaging. The most recent issue that has affected the Mars bar has been the disastrous business decision to introduce the use of animal rennet as an ingredient in its chocolate the resulting backlash as discussed earlier not only from those with personal and lifestyle sensibilities but also from those with a social conscience with regard to the treatment of animals. This led to Master foods making a U turn on a business decision. The chocolate industry as a whole has been under a political and social spotlight as discussed earlier.

Consumers are becoming more ethically aware and are questioning the practices of those associated with the production of cocoa. The industry was heavily criticised over the use of "child slave labour". Master foods along with its two rivals Nestle and Cadbury do not perform well when examined for their ethical practices. Mars does not even feature on the league table of those products that are deemed ethical, although it's fair to say that the

ethical names on the list are not household names (www. ethiscore. org 2007).

The Mars bar is not produced under a fair trade or ethical banner, thus depriving consumers of a choice. They have a choice – they can buy Green and Blacks, or do without! The market in ethical or fair-trade usually caters for the higher quality chocolates which are priced at a premium. With the continued affluent western lifestyle leading to chronic obesity and ill health there has been a drive to improve the nutritional value of food and to reduce the quantity of high fat and high sugar food groups such as chocolates in our diets.

Some members of the health and nutrition lobby are looking for draconian steps to be taken against the chocolate manufacturers to reduce their influence upon diets in a similar way that steps were taken against the tobacco industry. The chocolate industry has received threats about the banning of advertisements aimed at children and at peak times and on children's television channels. Pre-empting this, Mars has declared that they are moving away from targeting children with their product, a positive social action of their own (www. bbc. co. k 2007). Any reduction in the use of Cocoa will ultimately affect some 26 million people around the world who are reliant upon the chocolate industry, which includes some six million cocoa farmers (www. mars. com 2007). 2. 4. 4 Technological forces To improve cocoa production yields and to guarantee production levels for the future, Mars is investing in research to produce disease resistant cocoa trees to prevent such catastrophes such as the introduction of the disease "Witches Broom" which decimated the cocoa industry in Brazil in the 1990's.

Should cocoa supplies be affected, the manufacturer with a guaranteed supply of good quality cocoa should corner the market at the expense of its competitors (www. mars. com 2007). 2. 4. 5 Political forces Should the lobbyists become successful in their campaigns to restrict advertising of chocolates or force changes to reduce fat and sugar content of chocolate, or to have health warnings placed upon labels then this may not be through a voluntary code but through the introduction of legislation.

This may denigrate chocolate and make it as socially unacceptable as cigarettes, which may have a profound effect on sales. The safe production of chocolate and how it is presented for sale is governed at present by food safety and trading standards legislation, which is enacted by both national and European legislatures. Nestle and Master Foods with its main brand the Mars bar received criticism for sourcing it chocolate from the West African countries such as Ivory Coast where the cocoa trade is being used to fund conflict to the tune of ? 0 million a year. The Ivory Coast provides some 40% of the world's cocoa, since 2002 it has been torn apart by civil war. The allegations are that the profit from cocoa has been directly siphoned into government funds and used to finance their conflict with the rebels. In addition the rebels extorted money directly from the industry trying to transport the cocoa through its region. Gentle pressure is being applied on Mars to identify how much of its product contains cocoa from the Ivory Coast and strive to become free from "Conflict Cocoa". Independent News and Media Ltd 2007). Sustainability and fair trade with regard to cocoa has become a political "hot potato" with the manufacturers of the Mars bar being criticized for employing tactics that puts cocoa farmers into virtual

slavery, forcing them to turn more of their land over to production of cocoa rather than traditional arable farming and then making entire communities reliant on the cocoa market. The power of the global corporation can then manipulate the price of cocoa, ultimately depriving the producer of a fair price for the raw ingredient.

The close association of the Mars bar as a product of the United States may cause some with a dislike of all things American to boycott the product; however there does not seem to be any evidence that this has actually occurred. Due to the global use of the product and its association through manufacture and distribution with other countries like the UK, it does not lend itself to being an exclusive American product such as is for the Hershey Bar.

In the UK as in other nations where the Mars Bar is manufactured, there is some influence on the processes involved in its production by the legislative requirements of the host nation or other bodies such as the European Union. These relate in the main to food safety and trading standards legislation relating to the safety and standards that the Mars bar must meet in order to be sold to the consumer. Lately this has being more influenced by legislation that relates to advertising, such as the advertising of the product to children.

Due to the nature of free market economies, free markets and the established nature of the Mars Bar with its global distribution network it is not felt that the Mars bar is overly influenced by external political factors. 2.

4. 6 Cultural forces The cultural environment is made up of institutions and other forces that affect society's basic values, perceptions, preferences, and

behaviors. Certain cultural characteristics can affect marketing decision-making. There was a real team spirit at Mars Chocolate, with a huge number of talented people all sharing the same goal of building on our longstanding reputation or world class products. Throughout, they made sure there's a business strategy in place that inspires, motivates, develops and engages. Working in a sustainable, ethical and people-focused way generates outstanding results and also produces high quality talent. Mars Chocolate has been a training ground for some of British industry's most successful leaders, from Justin King (now the Chief Executive of Sainsbury's) to Allan Leighton (former Chairman of Royal Mail).

Mars has books and football clubs, and as an addition to this, they have their own on-site wellness coordinator who helps associates to enjoy chocolate as part of a healthy active lifestyle with pilates classes, circuit training and sports clubs. 2. 5 Organization within the industry 2. 5. 1 Market Position Although there are different definitions of brand positioning, probably the most common is: identifying a market niche for a brand, product or service utilizing traditional marketing placement strategies. Mars Inc.

Market Positioning is similar products on the state of competition in the target market for the customer of the products of certain characteristics or attributes importance for the enterprise products shaping strong, unique and distinctive personality and vivid delivery to the customer, to obtain customer identification. The market positioning of the essence of the enterprise and other enterprises strictly separate, so that customers clearly feel and recognize this difference, and thus occupies a special place in the minds of customers

From the slogan for Mars, we can see two points: 1, Mars simply locate a business of chocolate, candy and pet food manufacturing-oriented enterprises; 2, Mars also hoping to start a new business. In fact, market positioning and product differentiation is closely related, but are essentially different. Market positioning is the creation of a distinct personality, their products and thus creates a unique market image.

A product is a comprehensive reflection of a number of factors, including the performance, structure, composition, packaging, shape, quality, market position is to strengthen or enlarge certain products of factors to form a different unique image. Product differentiation is the real market positioning means, but does not and the whole of market positioning. Market position is not only emphasis on product differentiation through product differentiation, but also to establish a unique market image, and win customer recognition. [pic]

Dove, Mars classic chocolate brand, MADE WITH 100% PURE COCOA BUTTER, DOVE Chocolate has an intoxicating scent, a glossy hue and a rich taste unsurpassed by other bars. Always silky smooth on the tongue with a complex flavor, each DOVE Chocolate product starts with only the best cacao beans, tested twice by expert Mars technicians for quality and flavor. The perfect combination of chocolate liquor and cocoa butter, DOVE has a balanced taste that is never too sweet or too bitter. Because DOVE cares about every detail of the chocolate making process; you are always assured of delicious, lingering chocolate flavor.

Mars takes great care and maintains the highest standard of quality in manufacturing DOVE Chocolate from the bean to bar, coupled with its special roasting and grinding - resulting in the signature silky smooth signature taste of DOVE Chocolate. (Dove Chocolate, 2011) Chocolate consumers are more fashion crowd, is an important part of this population living. Chocolate as a special kind of nutritious food, in people's daily lives, occupy a very important position. Therefore, the quality and taste of chocolate has become the first choice when consumers buy. Dove" is the brand consumers are very familiar with their products in the production of a blend of the base material with puffed cereal products, the LHV sugar body or fruit and vegetable products not only taste good, and its unit calorific value is lower 30% ~ 60%, and quality assured, I believe this is also easier to meet our target customer choice. To meet consumer demand for chocolate while also addressing the consumers worry about health issues, this is the world's chocolate companies cannot compete with the Dove brand and could win about it. . 5. 2 Target markets Target market analysis: Industry Supportive & Unshakable Facts. For example drinks. (All information below attained from Slideshare, 2012) 2006 Sports Drink Industry Break Down • \$300 billion sales worldwide in 2005 • Market increased 10% to 9. 71 million liters in 2005 • North American accounted for roughly 49% consumption in 2005 • Asia Pacific region accounted for a 38% share in global consumption in 2005 • Japan ranked second to the U.S. t terms for per capita consumption, but China is assumed to overtake Japan as Asia Pacific's leading consumer by volume in year 2010 • 2003, Germany was the leading market for sports drinks in Western Europe follow by Italy then the U. K. This is only the Drink example and except other products to analyze the Mars share in the global world.

Market Metrics Global functional drink volume (millions of liters) CATEGORY 2006 FORECAST 2011 SPORTS DRINKS 9, 870. 6 13, 301. 70 ENERGY DRINKS 2, 429. 4 3, 534. 10 ELIXRS 320. 7 366. 10

TOTAL 12, 620. 7 17, 201. 9 (Source: Eouromonitor International. 2007)

Demographics The characteristics of this section are very crucial to properly segment the market and determine where these traits fall in a SWOT analysis. Furthermore, the following information breaks down the market.

Psychographics • Physical Activity • Healthy Products • Modern Supplement • Relevant Merchandise • Athletes: Age from 5 to 50 Jr. High High School Collegiate Minor League Professional Hobby So from the target market there are two factors: 1) the company's goal and resources; 2) the marketing strategies power and segment.

The Mars has the resources more another competitors and each of every product have complete Marketing strategies and plan. That is why Mars Company can be the top5 in the Food's Market in the worldwide. 2. 5. 3 The Marketing Mix (4P's) 4P's: The marketer, E. Jerome McCarthy, proposed a four Ps classification in 1960, which has since been used by marketers throughout the world. • Product – A product is seen as an item that satisfies what a consumer needs or wants. It is a tangible good or an intangible service. Intangible products are service based like the tourism industry, the hotel industry and the financial industry.

Tangible products are those that have an independent physical existence.

Typical examples of mass-produced, tangible objects are the motor car and the disposable razor. A less obvious but ubiquitous mass produced service is

a computer operating system • Price – The price is the amount a customer pays for the product. The price is very important as it determines the company's profit and hence, survival. Adjusting the price has a profound impact on the marketing strategy, and depending on the price elasticity of the product, often it will affect the demand and sales as well.

The marketer should set a price that complements the other elements of the marketing mix. • Promotion – represents all of the methods of communication that a marketer may use to provide information to different parties about the product. Promotion comprises elements such as: advertising, public relations, personal selling and sales promotion. • Place – refers to providing the product at a place which is convenient for consumers to access. Place is synonymous with distribution.

Various strategies such as intensive distribution, selective distribution, exclusive distribution and franchising can be used by the marketer to complement the other aspects of the marketing mix. 2. 5. 3. 1 Product Most of the products are popular and famous, Dove and M&M's has big market share in the global and impact of in the world. 2. 5. 3. 2 Price Mars price: the terminal operator to brand building as the ultimate goal. In the context of today's terminal winning times, product positioning is based on market demand, the Chinese market, for example, the MARS's major brands are both market and customer needs the road.

For example: in the Dooyoo website we can easy find the price about the MARS products, all the price are at 5\$~10\$, the pricing strategies help Mars to be more positive in the competitions. [pic] Compare the different

marketing, the price are follow the customers and the market, to position the price there are two big part to consider, the internal and external environmental, to think the outside factors the cultural, income, political, education ect. And the inside factors is the product's self, the quality and packaging. That is all about the Mars Inc. . 5. 3. 3 Promotion Mars Chocolate North America launched several retailer promotions, Promotions and sponsorships include: 1. Consumers and retailers will score big this season when Mars Brands and the NFL team up for the 2012 Super Bowl sweepstakes and instant-win game "Celebrate on the Field." Consumers will have the chance to win one of 5, 000 instant-win prizes a day from December 19, 2011, to February 5, 2012. 2. In January, Mars will showcase a "Take Your Peanut Butter Pick" cross-brand event featuring flavours from M&M's, Snickers and Twix Brands.

The Mixed Singles Shipper and Mixed Singles Counter Unit will encourage consumers to taste a variety of Mars brands. 3. Mars Chocolate North America is shifting its NASCAR sponsorship into high gear with a full year of M's Makes Race Day More Fun, giving M&M's brand fans numerous opportunities to connect with the brand from January to November. 4. The sweepstakes promotion "When We Win, You Win!" engages NASCAR fans by linking the victorious performance of the M's Racing Team with chances to win great prizes, including new cars and instant-win prizes, from January to November. Marathon brand will be the Official Energy Bar for the 2012 Rock 'n' Roll Marathon Race Series, gaining brand exposure at 25 race events, reaching more than two million consumers. 6. Mras created a website as http://www.realchocolate.com in this website Mars claim that it's

the only company that use real cocoa butter not vegetable oil. In this website consumers can read about the history and processing of chocolate and if they register in website they can receive a free chocolate.

US confectionery giant Mars has launched a 'Chocolate Relief' campaign in a bid to bring "sweet smiles" to millions of Americans. The Mars Real Chocolate Relief Act will offer consumers full-sized samples of Mars chocolate, product discounts and coupons along with 'Free Chocolate Fridays'. Throughout September 2011, Mars gave away around seven million full-size packages of its M&M's, Snickers, Milky Way, Twix, Dove, and 3 Musketeers chocolates in the US. Mars gave away a quarter-of-a- million full-size packages of 'real' chocolate on Free Chocolate Fridays.

US consumers can claim one of 250, 000 full-value coupons each Friday from 8 May by visiting realchocolate. com. "Brands like M&M's, Snickers, Dove Chocolate, Twix, Milky Way and 3 Musketeers are loved by Americans," said Michele Kessler, vice president, Mars Snackfood US. "That's why we've created the Mars Real Chocolate Relief Act. It's our way of giving Americans a small treat during challenging times." (Aroq, 2012). 2. 5. 3. 4 Place As an

example the distribution channels of china was discovered to have a big picture from the whole place policy in Mars Corporation.

Mars has a unique approach to China it sells directly to the retailers without benefit of a joint venture or any other type of on-site business. M are sold directly to consumers in China through two different distribution channels: the China National Duty Free Import Corporation for its airport duty-free shops and, more significantly, key local wholesalers for distribution to neighborhood stores in Beijing, Shanghai and Guangzhou. East Asiatic Company (of Hong Kong) has successfully developed a way to distribute the well-known U.

S. chocolate product in the city. In the normal distribution system, retailers are used to having to go calling on the wholesaler to try and obtain the product and then figure out a way to transport it to the store. East Asiatic has turned this old practice on its head: M wholesalers sell and transport their goods directly to the retailers. East Asiatic, a Hong Kong-based company has a distribution agreement with Mars for M candies in China. The candies are brought into Shanghai by the container-load from the U.

S. or Australia or in smaller shipments via Hong Kong. East Asiatic then sells the chocolates to wholesalers/distributors in Shanghai. The wholesaler has five vans that deliver M throughout Shanghai, either to sub-wholesalers or retail outlets. The Hong Kong agent also has a van in the city. Painted with M advertisements, the vehicle serves as both an advertising and distribution medium. Choosing the right wholesalers and monitoring them closely are very important to the distribution effort's success.

Besides having a warehouse for storing M&Ms properly, wholesalers must be committed to making frequent deliveries so that retail outlets receive fresh stock regularly. If a store has a quick turnover, a wholesaler should visit it once or twice a week; if turnover is slower, visits may occur every 1 0 to 14 days. The company works with wholesalers to select sub-wholesalers and hires salespeople directly by running advertisements in Shanghai newspapers. The sales team visits retail outlets regularly to check displays, advertising, and inventory needs.

It encourages store managers to put up M&M fliers and sometimes conducts taste tests or other promotions, like giving away trial packages of Skittles (another Mars candy) or balloons decorated with the M&M logo. Salespeople benefit from successful promotion work by earning performance bonuses in addition to their straight salary. The Hong Kong Company informally oversees and coordinates the entire distribution process-from wholesalers to sub-wholesalers to sales staff to retail outlets.

It teaches all levels to sell M&Ms into the market, instead of waiting for the market to come to them, as is the traditional practice in China. Coordination is handled by the company's representative office in Shanghai, with personnel in Hong Kong visiting from time to time in order to deal with specific issues. To select the proper retail outlets, East Asiatic set out a list of criteria and commissioned a Hong Kong market research firm that had connections with a Shanghai research firm to help identify stores in selected sales districts.

At present, the distribution effort primarily targets state-run stores. Payment terms normally require settlement within one to two weeks after delivery. The Hong Kong agent sells through some private entrepreneurs in Shanghai even though they are somewhat less credit-worthy than state stores, and hopes to expand this network gradually. The company's Shanghai distribution system went into effect in late 1989 and M&Ms are now widely available-both in large outlets and in roadside shops decorated with M&M fliers.

A similar system went into effect in Beijing in 1991, boosted by a major advertising campaign in connection with the 1990 Asian Games. The firm also distributes M&Ms in Guangzhou, although the network there is not as developed. Other points in China are covered via these three cities. A major issue for the company has been a fight to protect its trademark rights. Other than that, customers seem to like the chocolate (Shanghainese in particular have a taste for Western sweets), even though domestically-produced chocolate is one-fifth the price of the import (Ernst R. 2008). In Malaysia Mars focused on chain supermarkets and malls and mega malls, they use these channels as high potential channels and send the products to the end user and although its risky that consumer has a lot of other choice from mars competitors, but because high brand awareness and cheaper marketing strategy they use this strategy for Malaysia. 2. 6 The strength and weaknesses of the Brand SWOT Analysis A scan of the internal and external environment is an important part of the strategic planning process.

Environmental factors internal to the firm usually can be classified as strengths (S) or weaknesses (W), and those external to the firm can be https://assignbuster.com/macro-environment-essay/

Strong demand for confectionery: the market has grown consistently at around 5% every year for the last four years. So it will bring bloom to the confectionery market. People tend to use computers and video games or all in all they use their brain more. Glucose is like the fuel for brain and chocolate is a relevant solution. People use chocolate more recently and it's a power point for chocolate industries like mars. In Malaysia people like to eat sweat foods and snacks and even in some of their food they use sugar, Malaysia is a potential market for chocolate. Mars chocolates nearly can be seen in all malls and supermarkets in Malaysia. (Edward, 2012). 2. Good brand position and quality which is consumer favourites and High brand awareness.

Mars is well-known among sportspeople that they use it as energetic meal and is well-known among children and families. The quality of products is elevated and its brand position is high. People know it as a famous and high standard brand. 3. Strong partnerships with retailers. That's why we can see mars products in the majority of supermarkets and malls in Malaysia and all over the world. [pic] 4. Price kept that it should be in the range of every one purchase. It's a qualified brand with huge name but the price policy was designed in a way that different layers of society can buy and use it (Gudehus, 2009). 5. Stores are available in almost every market.

Mars offers chocolate stores that are kind of brand shops in different countries that are powerful ways for connecting with concentration with customers. In Malaysia it's not very common that is not under mars marketing strategies, but mars focus on huge malls, supermarkets and chain supermarkets like 101 and seven eleven. 6. More emphasis on sales promotion like surprise gifts and scheme cards. 7. Memorable Slogans. Like on to Unimaginable Heights, Go for the Max!, Mars is Waiting... (mars society, 2009). 8. Creative and simple advertising. That some of them are designed deeply for motivating people psychologically. 9. High Consumer Loyalty.

Because nearly all children like chocolates and human pleasurable memories can be hardly forgotten. The image of brand, its taste and good memory of it is recorded in human's deep conscious mind and people are loyal to what they like and admire. [pic] 10. Leader in UK, Japan and South Africa. Being leader in Asian, European and African context show the multicultural and international face of brand that different races and culture like the taste of products. 11. Innovative chocolate producers. 12. High advertising budget. Because the company is really marketing oriented and work with modern

strategies. 13. Great packaging. Designs of packaging have influential effects on consumers and motivate them to buy the products. 14.

Sponsors global football teams like England football team that is a great sign for remembering and memorizing Mars brand. 15. Mars Chocolate North America is the North American chocolate operations of Mars Inc. Based in McLean, Va. Mars has net sales of more than \$30 billion and six business segments including Petcare, Chocolate, Wrigley, Food, Drinks and Symbioscience. 2. Weaknesses: 1. Mars products causes health problems for consumers. Cocoa contains fairly high levels of the mineral copper, and too much copper can inhibit certain chemical processes in the body and lead to several kinds of health problems (burger, 2008). Dark chocolate contains the three elements of cocoa liquor or cocoa mass (cocoa cake), cocoa butter, and sugar.

Cocoa butter is a fat that is found naturally in cocoa beans (burger, 2008). These elements according to medical research produce different kind of health problems if use to extreme. It's a weakness for Mars that chocolate products are not really under healthy products. 2. Dental problems by consuming Mars products. Dental problems are very expensive to cure. People have some phobias to eat chocolate like obesity, teeth problems and other health problems; it can be a weakness point for mars that their products produce certain problems in future for consumers and specially children. Causing pain and expense for consumers is not a good point for mars. 3. Mars has many different products in which it has to promote.

Having different products show the product orientation in the company, but the problem is the variety of products that need to promote and develop and it cause too much expenditure for the company and can reduce the benefits. Mars brands include Chocolate: M's, Snickers, Dove, Galaxy, Mars, Milky Way and Twix; Petcare: Pedigree, Whiskas, Sheba, Cesar and Royal Canin; Wrigley – Orbit, Extra, Starburst, Doublemint and Skittles; Food: Uncle Ben's, Dolmio, Ebly, Masterfoods and Seeds of Change; Drinks: Alterra Coffee Roasters, The Bright Tea Co., Klix and Flavia; and Symbioscience: Seramis, Cirku and Cocoavia. 4. M is the number one selling candy in the chocolate market; however this product steals most of the promotion and advertising money and it's not really a balanced strategy. 5.

Milky Way has a low sales percentage of Mars domestic market share Because of constantly changing campaigns, people are not aware of Milky Way's positioning in the market. 6. Mars incorporated are not present online. According to the electronic era and the tendency of market to choose new technology for business exchange among nearly the majority of society, its weakness for Mars incorporated that they are not present online. Finding information about this company and its product on the net is not very convenient. 7. Bad communication, Low market share, Weak management team are other weaknesses of Mars in the world market. 2. 6. 3 Opportunities: 1.

Universal demographic development and change is a continuous growth of the world population is an advantage for Mars because more products would be eaten by consumers. People have more tendency to eat candy, chocolate and fast foods in this era. 2. Having more focus on small countries,

https://assignbuster.com/macro-enviroment-essay/

increasing personal relation even to villages. Heading to huge market share that is waiting for this brand, because in the entire world we can find children and families who are interested in the taste of chocolate and candy. 3.

Increase the product range as Jellies, Toffees, Bars, Lollipops, Gums,
Unsweetened baked chocolates for garnishing. Same content and in different forms can increase the market share. 4. 1% of households consume chocolate candy. Just mars need to remind them using chocolate regularly.

Mars products are so familiar in the mind of people and if you offer people Mars products they won't reject it. They only need