

# Market and business analysis of camille bloch



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Camille Bloch is one of the most visionary and creative chocolate manufacturers in Switzerland. It only can be found in European countries such as Canada, Denmark, France, Austria and Italy, etc. There is no market share in Asian countries. Therefore, Camille Bloch needs to extend new market for their product, such as Singapore. Through analyzing external environment, company finds that Singapore is a potential market. The government welcomes any legal business to invest in Singapore. Besides, Singapore is a free port for imported confectionery and snacks. According to World Bank 2010 report, Singapore economy is the easiest to do business and has been awarded the most competitive country in Asia. Facing many competitors, this company can use its competitive advantage to improve its growth potential. Because Singapore is a relatively niche market which have only one city, Camille Bloch will make market segmentation according to the demographic of Singapore and decide to choose 13-29 years old customers as target market. They are reported as one of the most dynamic customers in the market. And teenagers with discretionary spending power, they can choose any kind of product they want without influences from the parents. Camille Bloch will choose direct exporting to let Singaporean distributors put new products in this market. Company will choose to export directly through importer located in Singapore. It gives an opportunity for company to learn Singapore markets before investing and reduces the potential risks of operating overseas, extending the sales potential of existing products and gain information about foreign competition. At the same time, MOUSSES is current product in Camille Bloch. If it want to develop new market, company need to use market development strategy as market expansion strategy. During the process of development, Camille Bloch needs to use marketing

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mix strategy to make MOUSSES popularized. For product strategy, company will choose independent little piece packaging to produce and put in Singapore market while its price strategy is making combination with three kinds of pricing strategies. The lower limit of this price is marginal cost while the upper limit of this price is demand price. After that, Camille Bloch will establish good cooperation with Fairprice, Cold Storage Group, Sheng Siong, Carrefour and Giant supermarkets through choosing good distributors possessed high reputation and abundant experience. Once entering into Singapore market, company will continually propagandize this product to enlarge its popularity and obtain market shares through sales promotion, advertising and retail terminal inputs POP. Through these strategies to introduce this brand, we believe that company will have good foreground in Singapore market.

## **2. Introduction**

Camille Bloch is one of the most visionary and creative chocolate manufacturers in Switzerland. Camille Bloch is an independent family business. With the rapidly development of epoch, they have a greatest challenge is the balance between the established and the modern. They must connect their recipes and advanced technologies. Besides, they try their new product ideas. However, Camille Bloch products cannot be found all over the world. It only can be found in some European countries such as Canada, Denmark, France, Austria and Italy, etc. There is no market share in some Asian country. Therefore, Camille Bloch should export their product to some Asian countries such as Singapore.

### **3. External Environmental Analysis**

Environment is most important part for a company that is in any industry.

For a company, they should put a lot concentration on this part. First of all, a company should analyze the macro-environment and it can be analyzed from many areas. There are some main elements can be impacted corporation such as political, economical, social, technological, environment and legal, etc. Singapore is one of the best business environment countries in the world. There are many influences can impact chocolate product import such as government political, importer tax or huge demand, etc. However, some of them are positive and the others may negative.

#### **3. 1. Political and Legal Environment**

Government affects almost every aspect of business life in every single country. Singapore is an enterprise friendly country. The government welcomes any legal business to invest in Singapore. Besides, Singapore is a free port for imported confectionery and snacks. Although, there are 7% tax of goods and service will be charged by the importer before imported products but no import duties are levied on imported confectionery and snacks. This politic can help chocolate company which export to Singapore to reduce cost. However, Chocolate manufacturer who wants to sale the products in Singapore should has high product quality standard because their product should be subject to inspection.

#### **3. 2. Economy environment**

The Singapore economy is active free-market economy and the per-capita income of Singapore also is the highest in ASEAN. According to report, Singapore's economic growth was rapidly slowing down than before since <https://assignbuster.com/market-and-business-analysis-of-camille-bloch/>

third quarter 2008 because of the international financial crisis. However, Singapore's economic still very strong. According to World Bank 2010 report, Singapore economy is the easiest to do business. Also, Singapore has been awarded the most competitive country in Asia.

### **3. 3. Social Cultural**

Singapore is multi-culture country. It also is an eastern country which still has traditional family values, but the young generation has adapted to western culture and values. Currently, the population of Singapore is more than 4 million. Singapore ethnic mix is Chinese (75. 2%), Malays (13. 6%), and Indians (8. 8%). Singaporean are very hard working, therefore, they get a lot of work stresses. So, they need chocolate or candy to reduce pressure.

### **3. 4. Technological Factors**

With the rapidly development of technology, it can impact many kind of things such as distribution strategies, media strategies, etc. When a brand goes to a foreign country as a new brand, the company must use some method to introduce their product. Media is perfect tool can help them to achieve their goals. In Singapore, there are many media tools can be available such as MRT, bus, taxi, TV or magazines, etc. Also, distribution channels are very important tool for a company. There are many distribution channels can be used. For example, Convenience store is important channel for confectionery. Because, these places always are frequented by younger Singaporeans but it is difficult to increase brand awareness. Therefore, the company can choose some major retailers to sale their products such as Fairprice, ShengSiong and Carrefour, etc or some specialty confectionery shops such as The Cocoa Trees or Umeya chains of outlets

## **4. Competitor Analysis**

Competitor analysis is important to a company. It can affect marketing strategies when the company wants to launch the product in the market. In this way the company can find areas of potential competitive advantage and disadvantage. We can use many methods to analyze competitors, first identifying competitors and assessing competitors and then selecting which competitors can become attacker and which competitor can be avoided.

### **4. 1. Main competitor**

For Camille Bloch chocolate company, there are many direct and indirect competitors in Singapore. More than 30 countries supply confectionery to Singapore such as USA, UK, Netherlands, and Switzerland, etc. Also, there are many different brands can be found in the market such as Nestle, Ferrero, Lindt, Hershey and Haagen-Dazs, etc. But some brands are direct competitors and some of them are indirect. For example, Haagen-Dazs is a famous confectionery company. Their major product is ice-cream. Although, Haagen-Dazs is indirect competitor for Camille Bloch, however, they still can get some market share in confectionery market of Singapore. Also, it can affect the marketing strategy when Camille Bloch products enter market.

Direct competitor is most important part which should put more concentration. In Singapore confectionery market, Nestle, Ferrero, Cadbury, KitKat, Cacao, etc are key competitors. These competitors have different products and have different target customer. These competitors' products are quite traditional.

## **4. 2. Competitive advantage**

Singapore chocolate market needs some new product can bring some activities. Therefore, Camille Bloch has a new product is called Mousse mixture can give a fresh filling to Singapore market. The Mousse mixture from Camille Bloch has always been smooth and light. And there are three different flavours can be chose such as Lait Extra for light-coloured, milky extravagance; Lait for traditional connoisseurs and Noir for gourmets who prefer the bittersweet taste of plain chocolate.

## **4. 3. Growth potential**

Singapore confectionery market is a developing market. There are many opportunities can make company successful. Camille Bloch can use Mousse mixture to enter to market and increase their brand awareness. When this product can get some market share, Camille Bloch can launch some other products into Singapore market. According to Singaporean's habit, Camille Bloch also can do other product except chocolate such as coffee or ice-cream. It is because many Singaporean love these two things. Some Singaporean is coffee drinker, they may drink more than eight cup of coffee per day. So, these are the growth potential for Camille Bloch in Singapore market.

## **5. Market segmentation and target marketing**

There is no single way to segment a market. Market segmentation is the process of dividing a market into smaller groups of buyers with distinct needs, characteristics or behaviors who might require separate products. Market segmentation reveals the firm's market segment opportunities. After evaluating different market segments, companies must decide on target

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market to conduct business strategies. A target market consists of a set of buyers who share common needs or characteristics that the company decides to serve. Due to the demographic of Singapore, target market of our product is teenager and young adult age from 13 to 29 year old. Chocolate has been a part of the everyday consumers' lives and become a popular product of Singaporean adults and children. They are reported as one of the most dynamic customers in the market. Teenagers with discretionary spending power, they can choose any kind of product they want without influences from the parents because they already have their own allowance. For young adults, they have jobs and income so they can decide for their consumer behavior. They buy chocolate for themselves or they use chocolate as gift item at other celebration such as birthdays, weddings. This has created a situation in the market where there is seasonal demand, with a high proportion of sales being made between November and April. This period includes most of Singapore's major festivals or celebrations like Deepavali, Thanksgiving, Christmas, Calendar New Year, Chinese New Year, and Valentine's Day. In this period there is quite a high level of spending.

## **6. Market entry and expansion strategies**

### **6. 1. Market entry strategies**

There are many ways for company to introduce products into foreign markets such as Exporting, Licensing, Franchising, Joint Ventures, Strategic Alliances, Acquisition or Greenfield Operation. Selection method depends on costs, risk and the degree of control which can be exercised over them. The simplest form of entry strategy is exporting because it requires minimum resources while allowing high flexibility and offers substantial financial,



marketing, technological and other benefit to the company. Exporting methods include indirect or direct export. Indirect exporting involves the use of independent intermediaries or agents to market the firm's product overseas. These agents, known as export representatives, assume responsibility for marketing the firm's product through their network of foreign distributors and their own sales force. On the other hand, direct exporting occurs when a manufacturer or exporter sells directly to an importer or buyer located in a foreign market.

In Singapore, people can be purchased chocolate from hypermarkets, supermarkets, convenience stores, petrol station stores, minimarts, provisions/grocery shops and kiosk-type shops or stalls located in shopping centre, entertainment complexes, tourist locations, airport shops and even at traditional street-side newspaper stalls. There are also some specialty shops, which operate in chains or as single site outlets. Because this is the first time company introduce product into Singapore, we select only mousse chocolate; it is the latest news product mixture from Camille Bloch has always been smooth and light. Company cannot sell products directly to consumers so company will choose to export directly through importer located in Singapore. It gives an opportunity for company to learn Singapore markets before investing and reduces the potential risks of operating overseas, extend the sales potential of existing products and gain information about foreign competition. Some companies specialize in importing Singapore's Confectioneries are Hong Yi Hao Trading Pte Ltd, Kaimay Trading Pte Ltd, Sing Long Foodstuff Trading Company Pte Ltd, Diethelm Singapore Pte Ltd and etc. Most importers have their own

distribution networks, collect cargoes, re-pack in warehouses and deliver to consumers through retailers such as Fairprice, Cold Storage Group, Sheng Siong, Carrefour and Giant.

## **6. 2. Market expansion strategies**

Current Product

New Products

Current Market

1. Market Penetration Strategy

3. Product Development Strategy

New Market

2. Market Development Strategy

4. Diversification

Strategy

Figure 6. 2. 1: The product/ market expansion grid

Company has decided to developed new market (Singapore market) for the existing company product (mousse chocolate). It is called market development strategy. Finding new market for the new customer helps company to increase performance by increasing sales and profit. After the company approached the new market, companies must conduct the strategy to expand market so the company to be able to survive long term. The first

one is to introducing more products to the market, that way you will be able to get multiple new customer bases. Company is able to launch all kind of Camille Bloch's product like Ragusa chocolate, Torino chocolate, Liqueur chocolate and Napolitains chocolate. Since then company can find the best-selling product and focus marketing effort on that product as well as use this bestseller product to gain multiple profits. The second one is to add segment to expand company's market. One way to do so is to decide to target a new segment such as children age from 3 to 12 year old or family consumers.

## **7. International marketing mix**

### **7. 1. Product strategy**

Camille Bloch releases many kinds of products in Switzerland. Especially, MOSSUE have its special feature. So company will decide to choose it to expand Singapore market, enhancing chocolate categories. Camille Bloch puts MOUSSE into Singapore market in order to generate differentiation with competitors. According to the survey for Singapore retail markets, most of chocolate being sold in Singapore market are imported brand or joint venture brand, their packaging are mainly row block packaging. However, independent little piece packaging is seldom used by chocolate company. Table 7. 1. 1 shows packaging specifications of major competitors.

Brand

Row block

Gift packaging

Cadbury

50k, 70k, 100k

180k, 220k

Berly, s

46k, 50k, 70k, 85k

130k, 250k

Ferrero

40k, 60k

200k, 300k, 375k

Toblerone

50k, 100k

200k

Table 7. 1. 1: The analysis of packaging specifications of major competitors

Through analyzing two kinds of packaging, traditional row block packaging have some obvious shortcomings, such as incommodiousness, insanitation and so on. While the characterization of independent little piece packaging is that every piece of chocolate have its own packaging. Consumers can tear wrapping paper to eat out every piece. This kind of packaging is conveniently used and health for consumers. And the production volume of independent little piece packaging can conveniently be adjusted according to market needs or they can be split into bulk packaging.

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So Camille Bloch should launch independent little piece packaging of MOUSSES in Singapore market in order to obtain more competitive advantage.

## **7. 2. Price strategy**

The level of market share in enterprises, speed of market acceptance for new products, the image of enterprises and their products in the market have close relationship with price strategy. Under the fierce competitive environment of chocolate industry, we need to make combination with three kinds of pricing strategies. The lower limit of this price is marginal cost while the upper limit of this price is demand price. Apart from it, company also needs to refer the competitive situation of Singapore market in order to make the reasonable price.

Camille Bloch should adopt invasive pricing strategy. When MOUSSES products entered into Singapore market, the pricing for this product is lower than joint ventures and wholly-owned international competitors. Through this pricing strategy, company hopes Singapore customers to know that MOUSSES chocolate is cheap but good Switzerland imported chocolate. Then the position of MOUSSES chocolate will become clear through pricing and brand image like “ imported products, reasonable price” can be clearly established.

Through analyzing the retail price of main competitive brands, we obtain the proportion of price competition from main competition brands and have developed suggested retail price of MOUSSES

Number

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Brand

Retail price (the smallest unit)

1

Cadbury

SGD \$1. 55 per piece (50k)

2

Berly, s

SGD \$3. 15 per piece (46k)

3

Ferrero

SGD \$2. 7 per piece (40k)

4

Toblerone

SGD \$2per piece (50k)

5

MOUSSES

SGD \$2. 8 per bag (45k)

## Table 7. 2. 1: The analysis of chocolate retail price

Notes: the pricing of retail prices will decrease 5%-10% than competitors, which can give customers adequate impulsion of visual, psychological and the value. But the range of price is not greater than 10% of international competitors. Its final price is lower than Berly's chocolate, about 6%. If invasive pricing appears profits loss, company can compensate this through the scale sales. Once this product get a foothold in Singapore market, its retail price will call-back.

### **7. 3. Place strategy**

#### **7. 3. 1. The choice of channels**

Singapore is a relatively niche market which have only one city. So the choice of distribution channel doesn't consider the differentiation between cities. Camille Bloch firstly cooperates with supermarkets to directly provide this product into Singapore market. At the same time, Camille Bloch should establish good cooperation with Fairprice, Cold Storage Group, Sheng Siong, Carrefour and Giant supermarkets. Moreover, this brand finally spread all over selling point of this country in the right of national network of supermarkets. For example, hypermarkets, convenience stores, provisions/grocery shops and kiosk-type shops or stalls located in shopping centre, entertainment complexes, tourist locations and airport shops.

#### **7. 3. 2. The choice of distributors**

For MOUSSES, employing dealers to distribute is an economic and effective way. Dealers send MOUSSES of Camille Bloch to customers, the speed of pass and service quality directly affect the sale of product and market

image. So company will select local distributor possessed high reputation and abundant experience, such as Hong Yi Hao Trading Pte Ltd, Kaimay Trading Pte Ltd, Sing Long Foodstuff Trading Company Pte Ltd.

## **7. 4. Promotion strategy**

The promotion mix for extending MOUSSES as follow:

### **7. 4. 1. Sales promotion**

Promotion persons will send free sample in large person flow and high-end commercial network. The main target customer is 13-29 years old persons. Sales persons strive for letting target consumers taste. Using novel taste and good quality attract customers to buy MOUSSES chocolate.

### **7. 4. 2. Retail terminal inputs POP**

This part contains some means such as posters, flags, special shelves, organizing professional tallymen to tally. They unified the standard of display in the store and make use of neat, orderly and beautiful display to cause the impulsion of customers, inspiring purchasing desire.

### **7. 4. 3. Advertising**

During the period of Singaporean important festival, company should input some advertisement through TV media and make outdoor advertisement putting up air-conditioned vehicle to establish the brand image, cultivating target consumer group loyalty and attracting new customers.

## **8. Conclusion**

Through the analysis of external environment and competitors, Camille Bloch will make market segmentation according to the demographic of Singapore



and decide to choose 13-29 years old customers as target market. This company will choose direct exporting to let Singaporean distributors put new products in this market. Market development strategy as market expansion strategy will be used for MOUSSES. Apart from that, marketing mix strategy also will be designed to successfully put this new product into Singapore market. Company hopes that this product can be extended as soon as possible.