

Company and market analysis for uncle toby's company



**ASSIGN
BUSTER**

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The Uncle Toby's Company has a long and vibrant history, having gone through several name, location and ownership changes to get it to where it is today. The Uncle Toby's Muesli Bars is the ready to eat product suitable for people of all ages, their philosophy was that improved diet leads to improved health by balance and nutrition. The Uncle Toby's company was originally established as Parsons Bros, in Melbourne by Leonard and George Parsons when they arrived in Australia from England in 1861 and commenced manufacturing John Bull Oats. In 1893, The Uncle Toby's Oats product was introduced to the market by Clifford Love and Co in Sydney and entered the homes hearts and of Australian families, it's the first shown as Uncle Toby's products in trade market. In the past hundred years, Uncle Toby's renamed a lot of times until 1989, the company was officially renamed as Uncle Toby's Company, and the stage was set for the birth of the brand we know and love today, Launch of Yoghurt Topps Muesli Bars.

Uncle Toby's was one of sections of the Goodman Fielder food company, yet was separated by parent company Burns Philp in December 2005. In 2006, Swiss food giant Nestle purchased Uncle Toby's manufacturing facility and brands.

SWOT Matrix - 6 Marks

Product: __Uncle Toby Muesli bars_____

Strengths

Products have required accreditations

Right products, reliability and quality

Better product life and durability

Good customer loyalty

differentiated products

Creativity and imagination of staff

Weaknesses

Customer lists not tested

Organisational infrastructure

No direct marketing experience

Don't have a detailed plan yet

Lack of marketing expertise

Limited budget

Opportunities

Local competitors have poor products

Could extend to abroad

Can surprise competitors

Could expand the scale of supplier deals

Threats

Legislation could impact

Taxation is introduced on product

Fierce price competition

Possible negative publicity

Competition from other providers

The 4P's Analysis^{1/4} Product, Price, Place and Promotion

Products

Several kinds of finest cereal bars as health product for balancing nutrition products. An instant breakfast catering all segments who want health and

quick breakfast without preparation. A tasty snack for children and also it could be supplement for older adult to consume.

Uncle Toby's Muesli Bars is the wholegrain product. Wholegrain content is important in peoples' daily diet; its naturally nutrient can help maintain your family's wellbeing. The products contain wholegrain oats and wheat. These are intact grains, which mean they are slowly digested and contribute to product's low glycemic index (GI)*. Uncle Toby's Muesli Bars contain on average 7% of the daily intake for sugar per bar. This means you can enjoy the goodness of wholegrain in a tasty snack as part of a balanced diet. And here are no artificial colours and flavours in the product and they are all source of fibre products. Many of the products in Uncle Toby's range are high in fibre, with an average serving delivering at least 3g of fibre towards your daily requirement of 30g. Some fibres, such as the whole grain wheat can also act as a 'prebiotic', nourishing your friendly bacteria and helping with digestive balance.

The Uncle Toby's Muesli Bars got 3 different types of packages; they are Standard Packs (6 bars/120g), Value Packs (12bars/240g), Value Packs (18bars/360g, WOOLWORTH only). And it also got nut crumble, apricot, choc chips these 3 flavours on CRUNCHY, choc chip, forest fruits, apricot and white choc chip these 4 flavours on CHEWY, strawberry, raspberry, apricot, mango & passionfruit and honeycomb these 5 flavours on YOGHURT TOPPS. These means Uncle Toby's Muesli Bars provide different products with different flavours to satisfy the different needs of customers.

The variety of products makes the company different from other competitors. The business concentrates on changing the products since new variants or ingredient created that enhance “ ultimate multisensory food experience” for making lots of kind product to satisfy different target markets and maintain original target market loyalty.

Price

Table 1

Brand

Price (per 100g)

Carmans

AU \$ 2. 28

Uncle Toby's

AU \$ 2. 16

Nature Valley

AU \$ 2. 14

Cadbury

AU \$ 2. 09

Be Nature

AU \$ 2. 08

Coles

AU \$ 1. 56

Table 1 demonstrates the price of different muesli bars product's brand that can be found in COLES. The highest price of brand of muesli bars is Carmans which values AU \$2. 28 per 100g. The product of Uncle Toby's ranks second high price in COLES (AU \$2. 16 per 100g) that indicates its price strategy associates with non-price competition. By contrast, the brand of Coles which is the lowest price (AU \$1. 56 per 100g) stands for price competition.

As can be seen from table 1, Uncle Toby's adopts non-price competition strategies. It emphasizes characteristic product features, quality, service, packaging, promotion or other factors to differentiate its product from competing brands rather than focusing on price. Although Uncle Toby's takes non-price competition strategy, the annual sales generates more than US \$600 million in terms of retail sales that is not correspondingly in undesirable results (General Mills 2006). In 2001, Uncle Toby's has a yearly turnover of about US \$900 million (ITP. net 2005). A little bit higher prices than competitors due to higher product quality, unusual product features and brand reputation but usually get price discount for products. (High price-High quality policy)

Place/Distribution

The types of marketing channels for Uncle Toby's product is a long-standing channel that producer conveys goods to a wholesalers, then to a retailer, and a retailer sell the product to the consumers. It is the most economical

distribution channel for Uncle Toby's to be a long-standing channel as costs is lower than Uncle Toby's performs marketing their products.

The product of Uncle Toby's, locates to intensive distribution allots products to customers by a range variable of outlets such as supermarkets and convenience stores. Efficient distribution of Uncle Toby's product is that produces products to Coles, WOLWORTH, 7-11 and other similar supermarkets and outlets. Customers purchase over three-quarters of all groceries in supermarkets. In terms of convenience stores, it extends opening hours and locates in a convenient place that people can purchase product frequently.

Beside people can order products form Uncle Toby's Muesli Bars through internet which leads to cost reduction for consumer and supplier and make more convenient to purchase or even buy product directly from manufacture.

Promotion

Uncle Toby's were working together with the Royal Life Saving Society- Australia with the goal of preventing the drowning deaths of more than 50 children each year. Uncle Toby's invest half million dollars over three years to help teach Australian children how to swim and survive in the water in partnership with Royal Life Saving.

As one of Australia's top sports sponsors, Uncle Toby's has a solid history of Olympic team sponsorship. From 1988 to 2008 the company was official sponsor of the Australia Olympic Team.

Below-the-line promotion: indirect expenditure on promotion refers to those methods of promoting products that do not use direct advertising such as free gift or getting stars to endorse products or news and magazine stories featuring the product.

Uncle Toby's also doing the promotion in the supermarket like WOOLWORTH, Coles. They offer the fair price at anytime.

Uncle Toby's brand which has developed a reputation for successful above-the-line advertising (TV, radio, poster), that makes Uncle Toby's became the 29th sales in Australia.

Physical Evidence

The Uncle Toby's name is synonymous with high-quality, great-tasting food the world over, so the promotion for their product always focus on delicious, tasty and high-price get high-quality.

More recent years Uncle Toby's was one of the first in food industry to print Guideline Daily Amounts(GDAs) on the packs of product for showing the percentage of the recommended intake of calories, sugar, fat, saturates and salt for each portion of product clearly as Uncle Toby's is being a nutritionist. Hence the products from Uncle Toby's pay more attention on balance nutrition and health eating.

Process

The manufacturing system includes 3 parts in process: processing, packaging and storing.

Packaging and storing- The cereal will be send to packaging area once they passed the quality check and place it into individual box and cases, then transport by conveyer belt to warehouse until they shipped to stores for retail sale.

Conclusion

The product variable in marketing mix emphasis health and quick cereal breakfast or snack without preparation which fit all ages, it means wide range of target market such as health claim are more popular for everyone, female are shape conscious and convenient food are common now, more price variable pays more attention on the target market who willing to pay a little bit more for higher quality product than competitors but sometime the customer will get reward for loyalty or price discount (see promotion). Also this business done well job at boost sales and brand value by using varied promotion methods since this business established, they try to make products available on hand everywhere as well.

The buyer for Uncle Toby's Muesli Bar will be parents or older adult and cereal are purchase one of the fastest-moving product in supermarket, also research shows the most influencer are kids. Despite they pay more attention on target market for 8-11 years child, but Uncle Toby's Muesli Bar hard to make product diversify for growing different target markets for increasing profit, they wish their products not only for everybody but also can be consumed in any time, Uncle Toby's Muesli Bar contains comprehensive target markets for example health and instant breakfast for everyone, sweet snack for chide and adult, also supplement for older adult which Uncle Toby's Muesli Bar can be consumed all day in different ways.
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Successful business use all the tools at their disposal to stay at the top of their chosen market and Uncle Toby's Muesli Bar are able to use a number of business tools properly in order to successful in ready-to-eat cereal market by re-position the brand through the use of marketing mix, return the brand to grow, improve the frequent of purchase and introduce new customers to brand. This business is sound marketer to carefully segment and deliver an outstanding proposition for their customers. The vision and idea from founder Uncle Toby's which strong commitment to nutrition, health and quality driven improvement for their products and process to make Uncle Toby's business being a leader of cereal and snack producer in the world.