

New avocado frozen yogurt product marketing essay

[Business](#), [Marketing](#)



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Executive Summary

The focus of this report is on new Avocado Frozen Yogurt product that has created increasing demands in range of channels. This product is introducing to consumers who interest in yogurt. This report is for Highland group to give a brief description of this product. In the first part of this report there is an insight of the situation analysis of this product, cost and benefits and marketing environment that is based on strengths, weakness, opportunities', threats of environment of the company. At the mid section of the report has been focused to identify the segments, target market and positioning. Last section of this report is discussed about the marketing mix and the differences in B2B and B2C marketing. Finally in this report has planned to export this new product to Malaysia and has done modifications of domestic marketing mix according to international marketing.

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INTRODUCTION

The avocado frozen yogurt is the new product of Highland company . Sri Lanka is now in a lack of good foods because of instant foods which are not healthy. This project is for fill that gap and give a good service for Sri Lankan people. This project is for giving nutritious new product for customer, and how the marketing processes works. Avocado frozen yogurt is for everyone. It's for any range of age, for any type of social states. Basically it's a product which anyone can buy. Also to encourage the local dairy farmers and improves their living statues. It is also planned to maximize the sells by marketing in deferent ways. It's based on strengths, weakness, opportunities', threats of environment of dairy products. Project has also concern about targeting whole social by categorizing it into groups like kids, teenagers and health Conscious.

What is marketing?

Marketing is the craft of linking the producers of a product or service with customers, both existing and potential. It is an inevitable and necessary

consequence of capitalism. However marketing is not limited to capitalist countries.

Definitions

Marketing is a social and managerial process by which individuals and groups obtain what they want and need through creating, offering and exchanging products of value with others'. – kotler 1991

Core concept of marketing

ClientValueProductMarketing core conceptsFigure-1: core concept of mrketngMarketer: A marketer is a person who uses marketing tools and practices to satisfy a customer's requirement. Customer: someone who purchases a good or service. Client: A customer who is under the protection of the company. Client tends to be people tend to pay more attention to. Needs & Wants: Marketing creates wants not needs. Demand: Demand occurs when a want is backed by purchasing power, willingness to spend and desire to acquire. Product: Physical or tangible merchandise that can fulfill a want. Service: Act, performance, a benefit and indicate intangibility nature of a product. Value = Total Benefit -Total CostValue: Worth of the product or the service depends on own experience, opinion of others & marketing communications.

Milco (Highland)

In 1956 Milco is established as " The National Milk Board" under the ministry of agriculture. And then in 1978 national Milk Board introduced their product under a new logo and a brand name Highland. Today Highland is the premier

dairy producer in Sri Lanka with over 55% of market share. It has effective plant capacity of 200, 000 liters per day. Under the Highland brand name Highland yogurt is the most popular product of Milco Company.

Vision Statement:

A prosperous dairy farming community and a country self sufficient in milk.

Mission Statement:

To improve the standard of living of the local dairy farmer and increase milk production ensuring customer satisfaction by supplying quality fresh milk and dairy products at competitive prices, through effective and efficient management encouraging human resources development in the organization, and achieve a sustainable growth in stakeholder benefits.

hy. jpg

Avocado Frozen Yogurt

Highland has decided to introduce new yogurt including avocado. Avocado is a nutrient and delicious fruit. It has been enriched with 20 vitamins, fiber, potassium, mineral and iron. Withal most of avocados have high fat content. But this type of fat is important for health, thereby it may reduce cholesterol and fight heart disease. The product is also natural and fresh. With all these benefits, this avocado frozen yogurt will definitely have an appeal to health-conscious consumers who are looking for a yogurt that they can indulge in. And it is very good for children, because it destroys the unnecessary bacteria in system. Thereby like adults, most children can benefit from this avocado

frozen yogurt. Ingredients -avacado. jpgAvocadoSugarEgg yolksSaltLow-fat natural plain yogurtFresh lime juice.

Evaluate cost and benefits of the new products

Marketing cost is defined as the total expensive spends for marketing the goods or service. Highland is evaluating their new product's cost to achieve following factors; To achieve a healthy and continuous growth in profit. To attain a 15% increase in market shares within the annual and achieve positive growth in the sales of the Product. To Minimizing distribution cost. Components of marketing cost: Production Cost- A cost incurred by a business when manufacturing a good or producing a service. Examples: raw material (for yogurt -cost for milk, avocado , sugar.. etc)Labor cost(salary payment for workers, their allowances(food, transport, medical)Distribution Cost- It is usually defined as the costs incurred to deliver the product from the production unit to the end user. Examples: cost to distribute yogurts from the manufacturing factory to island wide retail shops. Promotion cost- The cost associated with promotion or advertising avocado frozen yogurt.

Benefits

Increase the reputation of Highland for making healthy foods. Highland can beat other companies because it is a new product. Highland can give more opportunities for unemployed. New product can export to other countries. Increase annual income of Highland. Government gives more priority highland when they buy more milk.

Environmental analysis for Avocado Frozen Yogurt

Strengths Island wide distribution network The company consists four milk factories in Sri Lanka Milk collecting network in island wide. Success leadership Milco has been the premier dairy producer in Sri Lanka with over 55% of the share market. High market experience Milco Company was established in 1956. With this long time experience, today they provide various kinds of milk products to the market. Quality products Highland products are natural, high nutrition and very fresh.

Weaknesses The lack of fresh milk and the rising price of fresh milk are the main barriers faced by the company.

Opportunities End of the war The country does not have any civil war. Thereby the companies have opportunities to start the manufacturing plants in cities which had the war those days. Low price than imported milk products-Government has proposed to maintain the high taxes at the point of customs on imported milk powder, to encourage local milk production. Important of dairy products Milk production plays an important role in alleviating nutritional poverty in all age groups. This is an advantage for Milco, because avocado frozen yogurt is a nutritious dairy product.

Threats Poverty & high price of milk product Prices of vital food commodities have increased. Barriers of marketing Even the " The National Milk Board" , milco cant sell maximum prouduct through sri lanka.

Competitors Fonterra, another private company with New Zealand investment that sells a range of Anchor brand products, has been in Sri Lanka for many years.

Porter's five forces analysis

Threats of substitutes By advertising keep the higher demand for the products. By quality assurance of the products Threat of new entrants Bargaining power of suppliers Rivalry among competitors Bargaining power of customers Fonterra, Lucky Lanka Figure-2: Porter's five forces analysis

Continues production line I take a look at the market can see there are lots of substitute products competing with each other. Therefore to stop the customers switching to other brands Highland uses advertising, distribution at the correct time and good quality of the product. Also there is big rivalry in the industry among the major competitors such as Fonterra to attract the customers. Therefore Highland is aware about the strategies of those companies in order to gain the competitor advantage. If a product is not into the requirement level of the customer they will refuse it. Therefore Highland is always put the emphasis on maintaining the quality. Without suppliers a company cannot survive. They need ingredients for the products and a continues production is essential to retain in the market. Therefore Highland treats their suppliers well. By paying a reasonable price than the competitors paying for their materials Highland has been able to retain their suppliers. If another company comes to the place of Highland it will be hard. Head hunters may recruit the master players of the company for the new company. Therefore it is a challenge to the company.

Segmentation criteria

Segmentation is where market is dividing into groups depend on similarities. Avocado Frozen Yogurt is mainly focus health-conscious customers who are

looking for a yogurt. Segmenting Segmentation Organizational
market Consumer market Geographic Demographic Customer
type Geographic Buyer behavior Psychographic Behavioral Purchase power
Figure-3: segmentation

Demographic segmentation

Gender : our new product is a unisex product. Age : other than infants any one can use the product. Income : Avocado Frozen yogurt is produced under high quality. Hence income level should be considered when selecting segment.

Geographic segmentation

Region : After the launch our new product will be catering to the Sri Lankan market. And within a year we are planning to launch it to the South Asian market too. Population density : The new product line will be catering to the urban, semi-urban areas and then moving to a large distribution network around the country facilitating the rural areas.

Psychographic segmentation

Social class: Normally avocado frozen yogurt caters to the lower, middle and high class.

Behavioral segmentation

Benefits sought : avocado frozen yogurt is a nutrient and delicious product. So by using this customers can get more benefits. Perceived risk : the risk of using this product is low. There are no side effects.

Targeting

Targeting is a process, which is referring marketing resources on a particular part of a market. Highland is targeting people who are looking for a nutrient and delicious yogurt. So we can use the following three criteria to evaluate the target market as profitable manner. Criteria Kids Teenagers Health Conscious Market attractiveness Size and growth of the market is high. Hence Highland can get more profits. Size and growth of the market is medium. Hence profitability will be lower than kids. Size and growth of the market is high. Hence profitability will be higher than kids. Competitors Level of completion is low. Level of completion is high. Level of completion is relatively higher than teenagers. Company resources Relevant resources and capacity are available in the company Relevant resources and capacity are available in the company Relevant resources and capacity are available in the company Ranking 321 Figure -4: targeting According to the target rating analysis health conscious segment is more profitable to the company. So we are mainly targeting health conscious segment as mentioned above. Avocado Frozen Yogurt adopted the differentiated market for their products as its products are characterised size desire for image.

Buying Behavior

Buying Behavior is the process by which individuals search for, select, purchase, use, and dispose of goods and services, in satisfaction of their needs and wants.

Buyer Characteristics

There are four factors influencing the purchases of consumer such as social, cultural, personal and psychological. Cultural factors: Cultural Factors are further classified into, Culture:- It is the most basic cause of person wants and behavior. Eg; knowledge, rituals, beliefs and traditions etc. Subculture:- Sub culture includes religions, nationalities, geographic regions, racial groups etc. Muslims are always Choosing Halaal products for consumption. Highland company already has halal certificate Social Class:- It is measured as a combination of occupation, income, education, wealth and other variables. Normally " Avocado frozen yogurt" caters to the lower, middle and high class. Social Factors: social factors also classified into; reference groups, family, role and status. Reference groups:- Reference groups comprise of formal and informal groups that affect buying behavior. Family:- Family influencing strongly in the buying decisions of individuals. Therefore company should focus the whole family when launching the product. Role and status:- Each individual plays different roles and status in the society depending in groups, clubs organizations etc. Personal Factors: Economic situation, occupation, age, personality self concept etc. influence the buying behavior as the personal factors. Psychological Factors: There are four important psychological factors; Perception Motivation Learning Beliefs and attitudes Fat of avocado will help to reduce cholesterol and fight heart disease. Thereby new product " Avocado frozen yogurt" helps to enhance the personality of a person and gives self esteem. Buying Decision Process of new product Figure -5: buying decision process At this stage, the buyer recognises problem or need like I am hungry, so I've needs a food. bdp.

The consumer identifies alternative products and brands and collects information about them. In this step, consumers move to compare the products which could fulfill the need. So consumers can decide between Newdale or Highland. In this 4th step, consumers decide to purchase Highland avocado frozen yogurt to satisfy the need. This is the last step of the buying decision process. In this step, consumers give feedback about the avocado frozen yogurt. It definitely should be a positive feedback, because Highland has been distributing avocado frozen yogurt with high quality and it is a delicious nutritious yogurt.

Positioning

Positioning will help to know about the performance of the product in the market and the growth of competitor products. By this, we will be able to identify whether the product will be able to survive or decline. Hence, it shows the capacity of attracting the customer, positioning will help to plan and conduct market campaigns. **Positioning Statement** It is a statement that tells about the following facts; -how the company defines its business or how a brand distinguishes itself, -how the customers will benefit from its features and, -how these benefits or aspects will be communicated to the intended audience. The positioning statements of Highland and Highland avocado yogurt are;

Highland

" Refreshingly Sri Lankan."

Avocado Frozen yogurt

" Get the power of nutritious from a delicious yogurt"

Marketing mix

Product, Price, Place and Promotions of Avocado Frozen Yogurt

Product: " Anything that can be offered to market for attention, acquisition, use or consumption that might satisfy a want or need." Avocado Frozen yogurt is a product that appeals to customer to satisfy three needs: health, taste, beauty. It has the nutritious goodness of both milk and avocado.

Highland produces this new product for 2 segments which are small cup and family tub. Packaging: Highland avocado yogurt packaging will: Have product identification so easily separated from its competitors Using the most cost efficient method of packing This will make the product in two quantities to possible consumers. Labeling: labeling is the way of presenting the packaging to their customer. So Highland hopes to content the brand name, capacity, ingredients, type of flavor and halal certification through labeling.

Support services: Supportive service is a major tool that can be used to attract the customer and gain market leadership. Therefore Highland will indicate in the pack their contact numbers to get the feedback of the avocado frozen yogurt. Price: Our consumers are price sensitive and the quantity demanded will increase significantly as price declines. Thus we could gain more profits quickly when we compete with our competitors hence we use penetration strategies when introducing to the market.

Small cup Family tub

Figure-6: pricingPlace: The place is the where the product is available to the target market. Thereby it is important to the company. We use retail system as our distribution channel. " Avocado frozen yogurt" will be available at any super market island wide. Therefore our customers can easily afford the product. We use three distribution channels to meet the end customer.

HighlandCustomerRetailer(pharmacy)Promotions: By promoting the Avocado frozen yogurt this will satisfy the needs of the customer's and business. Consumers will gain better understanding of the product and how it can satisfy their needs, but on the other hand will help Avocado yogurt increase their profits and market shares. Advertising - avocado frozen yogurt will spotlight on a successful advertising campaign comprising of magazine and television advertisements focusing on,-the target market-how often they want the target market to be exposed to the advertisement-when they want to reach their target market-most cost efficient methods to fulfill the above by doing this Avocado frozen yogurt will add value to their product by altering consumer perceptions.

The differences in B2B and B2C marketing

B 2 B Marketing

It is a transaction that occurs between two companies, as opposed to a transaction involving a consumer.

B 2 C Marketing

Business to consumer marketing is when a business markets products to a consumer market. A consumer is a buyer of products that are not business related.

Factors

Business to Business

Business to Customer

Size Markets are generally small vertical markets. Hence often niche in size.

Markets are typically large. Purchasing Process Purchasing process has defined in months. It is a short purchasing process which may have speed minutes, to a few days and is a simple sale consummated immediately. Sales Process Selling based on understanding a client's wants and needs plus policies and developing trust. Sales are direct to the consumer. The Value of Brand Brand identity will build through the personal relationships and consultative selling. Brand identity will build through the advertising.

Lifetime Customer Value Lifetime value is much higher. Lifetime value of a B2C customer is lower than B2B. Because of the lower cost of an individual sale and repeat sales are very few. Figure-7 Differences in B2B and B2C marketing Highland produces " avocado frozen yogurt" for B2C market. The main purpose is, to provide this product to customers or households.

Marketing the product in this market has to be intense. Because of final consumer consist of B2C market. B2C market usually has large wide markets in various backgrounds.

International marketing

" International Marketing is the performance of business activities that direct the flow of a company's goods and services to consumers or users in more than one nation for a profit. " There are some of differences such as cross cultural differences, language, currency, traditions and customs ect. between domestic marketing and international marketing. After the launch Highland new product will be catering to the Sri Lankan market. And within a year they are planning to launch it to the Malaysian market too. Product: Highland always focuses upon quality of the products so base on this avocado yogurt it is again in the high quality. So should not do any modification of the product. Price: When export the new product price can be determined by the following factors:

Cost of transport

Cost for special packaging Translation costs etc. Promotions: Highland hope to do some modifications when they advertising new product to Malaysia. Eg: They will use Malaysian language for advertising. Place: In Malaysia also they will use retail system as our distribution channel.

Conclusion

The competition in the industry for Highland is widely varied. Direct competitors are Fonterra Company and Lucky Lanka Company. In such a climate, the best investment opportunities will be given to companies that have inventiveness and creativity to meet the customers' demands for dairy products in an industry driven by economic conditions, demographic trends, and pricing. All the time lines and the assigned work for employees are

clearly stated in the tactical plan and as to how the strategies are planned and implemented. The marketing mix for the new product line is explored and has identified the abilities of proceeding with the plan thus the market share will grow. The access money in the mother company will be used for start-up costs, to establish a reputable storefront, and to further develop the business, internal systems, product development, and extensive marketing and geographic positioning. Providing that the company is able to acquire its funding requirements, " Avocado frozen yogurt" should be able to achieve operational success for many years to come.