

# The international market audit and kangaroo meat products marketing essay



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The Report Covers an International Market Audit and a Marketing plan for the export of Kangaroo meat products in the German market by Ace Corporation.

The Companies main objective is to sell Kangaroo meat products like (sausages, diced meat, fillets and mince meat) in the German market to broaden its market space. The Vision of the company is “ Creating an edible product for human consumption” which will be so tempting and full of nutrition that all would just want to say Let’s eat Kangaroo.

The Kangaroo Industry is in operation in all states of Australia except Victoria and NT. It’s reasonably big industry collecting revenue of \$270 million per year. Every state has to operate under the Kangaroo Management plan which is controlled by the Conservation authorities within the state and when overseas it’s controlled by the Federal authority.

Germany is one of the world’s largest economies. Having a market share of 33. 5 per cent in the European meat market. The Meat markets make a lot of profit reaching nearly \$7. 8 billion in the year 2007, and are mostly likely to touch \$9. 5 billion by 2012. (“ Frozen Food Global Industry Guide”, 2008).

The Germans are adapting to the new culture surrounding and are becoming more and more health conscious with passing time.

After having understood the market trends and successfully completing the economic and socio-cultural analysis Ace Corporation has chosen Germany for the international export of Kangaroo meat products, which is very healthy , high in protein , iron and very low in fat perfect for our target market being families. (Phillips, C., n. d.).

## **The Product**

Kangaroo's are very high in number and are stated as an iconic animal and are known for their uniqueness in Australia. They give off one third as much methane as ruminant animals, like cows o goats. They are responsible for 60 per cent of the global methane emission. They whole idea behind entering into this industry was to reduce the highly populated number of Kangaroo's creating a healthier environment and provide a cuisine which the consumers enjoy to eat as a part of their meals.(" Kangaroo meat", n. d.).

## **Below is the chart showing the population of Kangaroo's in Australia**

2009 Population estimates for kangaroos within the commercial harvest areas

State

**Red**

**(Macropus rufus)**

**Western Grey**

**(Macropus fuliginosus)**

**Eastern Grey**

**(Macropus giganteus)**

**Wallaroo/Euro**

**(Macropus robustus)**

South Australia

1, 031, 000

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658, 000

—

465, 000

Western Australia

904, 506

1, 653, 464

—

—

New South Wales

2, 456, 795

722, 255

3, 909, 270

114, 966

Queensland

5, 004, 684

—

7, 714, 654

2, 405, 729

Grand Total

**9, 396, 985**

**3, 033, 719**

**11, 623, 924**

**2, 985, 695**

Source: Kangaroo population estimates

Kangaroo Meat which we will be exporting from Australia is meant for Human Consumption only, as 70 per cent of kangaroo meat is exported to different countries around the world. It is considered as ideal meat for maintaining a balanced diet. It is also low in cholesterol and has 24% of protein and minerals. The fat contain is less than 2%.

## **Nutrition Content as Compared to other meat**

**Protein (%)**

**Fat (%)**

**Kilojoules**

(per 100g)

**P/M/S ratio**

**Cholesterol**

(mg/100g)

**Iron**

(mg/100g)

## **Kangaroo**

24

1-3

500

1. 5(1)1

56

2. 6

## **Lean Lamb**

22

2-7

530

0. 1(0. 9)1

66

1. 8

## **Lean Beef**

22

2-5

500

0. 1(0. 9)1

67

3. 5

## **Lean Pork**

23

1-3

440

0. 2(1. 3)1

50

1. 0

## **Lean Chicken Breast**

23

2

470

0. 4(1. 5)1

50

0. 6

## **Rabbit**

22

2-4

520

0.8(0.5)1

70

1.0

Source: Food GL & Fogerty AC. 1982. The fatty acids of Kangaroo and wallaby meat. CSIRO Food Research Quarterly, 42, 57-61.

Kangaroo Meat is available in various shapes and sizes for human consumption a chart of different types of kangaroo meat cuts has been put up in the Appendix 1.

## **Evaluate the Product as an innovation as it is perceived by the intended market.**

### **Relative Advantage**

People of Germany have adapted to new food habits and have become more calorie and cholesterol conscious in their intake. Percentage of protein in Kangaroo meat is high in comparison to beef and pork. People of Germany like game meat, as well are always ready to try different types of meat products. (Flannery, n. d.). An added advantage of Kangaroo meat is that it is 30% cheaper than beef, which simultaneously increases the scope of

opportunities to sell our product into the German market. (More Aussies <https://assignbuster.com/the-international-market-audit-and-kangaroo-meat-products-marketing-essay/>)



dining on Skippy, 2008). The relative advantage of our product is more as compared to other products.

## **Compatibility**

Kangaroo meat is one of the healthiest red meat, available for human consumption. The fat levels in kangaroo meat are less than 2% which creates a positive mind set for the consumer to buy our product as these days consumer are very health conscious. Kangaroo meat can be used exactly like other red meats; it's also available in a wide range of cuts. ("Kangaroo Meat for Human Consumption", n. d.).

## **Complexity**

Our Kangaroo meat is produced under high strict hygiene legislation and has an even healthier disease free status than domestic animal meats. The method of cooking kangaroo meat is easy and not to complex. One thing which needs to be kept in mind is overcooking which will dry out the meat.

## **Trial ability**

As Kangaroo meat falls under the category of game meat's and is one of the rarest breed of animal found for human consumption it is also very inexpensive to purchase, this automatically encourages the consumers in Germany to try this product for a minimum expense from their pockets

## **Observability**

Kangaroo meat is easy to cook and contains high levels of protein, iron, zinc, B-group vitamins namely riboflavin, niacin, Vitamin B6 and Vitamin B12. A variety of dishes can be cooked from kangaroo meat. German Consumers

can be rest assured that our kangaroo meat is safe to eat and is processed to meet the strict Australian and export Standards. (“ COOKING TIPS”. n. d.).

## **Major problems and resistance to product acceptance based on the preceding evaluation.**

The Main issue or the area of concern for Kangaroo Meat is the method of cooking as it is low fat content, can easily dry out during the cooking process. Therefore it is recommended to follow some simple cooking steps to retain moisture and the meat flavour. Kangaroo meat should be handled and cooked like any other lean low fat red meat. (“ COOKING TIPS”. n. d.). The Haziness of cooking kangaroo meat discourages many consumers. Also another problem with Kangaroo meat is that Kangaroo is the national animal of Australia. The consumers which are fond of meat products are very taste sensitive, they are aware of kangaroo products being available in the market but haven't got the right approach and means to try it out.

## **The Market**

### **Describe the market(s) in which the product is to be sold.**

The country that we are focusing on selling our product is Germany. The market audit and plan will be based on strategically approaches used to introduce our product into the market, specifically looking at the culture, political and economic environment.

### **1. Geographical region(s)**

We are focusing on Berlin being the capital of Germany, as it is not possible to cover the entire market of Germany in the first year of business.

Berlin is the most important state in Germany out of the 16 states. It has a total population of 3.5 million. Berlin is one of the most significant centres in European politics, culture and science. Berlin is also a working capital city and a province of

Germany. It is also famous for its cultural institutions and a highly visited tourist destination. ("Berlin, Germany", n. d.)

### **Forms of transportation and communication available in that region.**

Germany is well known as the nation of car lovers. Public Transport is excellent in Germany. Their rail network is very comfortable, reliable and fast. All major cities have an impressive public transport system like Tube, Tram and Busses which are very reliable. Many cities in Germany encourage cyclists with elected bicycle lanes. ("Getting Around in Germany", n. d.).

For Transportation and communication when exporting and selling (in the Target market) our product, we will be using only Air Transport and Road Transport.

### **Consumer buying habits.**

#### **Product-use patterns**

The German cuisine is very different from region to region, Aswell we have discussed this in our socio-cultural analysis which gives a clear understanding of the audience in the target market. As the Germans are health conscious and very particular about their calorie intake. There are more than 1500 varieties of sausages available. ("Cuisine", n. d.).

As our kangaroo meat is very healthy, light in consumption less in fat and easy to cook, it fits right as a part of their meals keeping in mind the health factor.

## **Product feature preference**

According to a survey by GfK whose studies and analyses are based on consumer shopping behaviour state that the German consumers have a per capita retail purchasing power of around €5, 201 in 2009. GfK GeoMarketing has understood and calculated the Germans purchasing power by region, categorizing the results according to around 60 food- and non-food product lines. (“ New study on Germans’ regional consumer preferences”, n. d.).

As the Consumers in Germany have high purchasing power , it gives us a green flag to enter their market and sell our chosen product.

Untitled. png

As seen in the above chart the German consumers spend round 12. 6% on health and hygienic products. In which they are mainly looking for nutritious and healthy intake of food. In that case kangaroo meat which we want to sell meets their demands and expectation levels.

## **Shopping habits**

Shop till you drop is the tag line which is fixed to the Germans shopping habits. Shopping is called as a national pastime for the Germans. Malls are not that well- developed in Germany so there are more of “ Out Malls” which have been opened up. Place like “ Big Box”, “ hyper-stores”, “ discounters”, ‘

Marktstrassen' or market streets are very popular to buy their products on daily needs. (" Shopping in Germany", n. d.).

Specialization shops are very popular and easily recognized in food stores. The Metzgerei (butcher), Backerei (bakery) and Konditorei (pastry shop) are in business by people of their own profession. Germans basically buy their meat from local butchers instead of buying it from supermarket. Their preference is quality, comfort, prestige, convenience and price when buying consumer durables. alternatively, price dominates other factors in case of everyday goods. (" Shopping in Germany", n. d.).

## **Distribution of the product**

### **Typical retail outlets**

The German market is the biggest and the most important part of Europe, the retail market is very competitive and segmented for most of the products. The highest level of importance is given to the Quality and service of the products. (" Germany - MARKET ACCESS", n. d.).

The German retail market is distributed into large Independent shops, having a high proportion of distribution in city centres and urban areas. Also they are quite a few numbers of hypermarkets followed by discounted stores which are the main attractions to customers. The market also gives high importance to distance selling which are mail order, e-commerce and teleshopping. (" Germany - MARKET ACCESS", n. d.). Our strategy here will be the approaching the specific shops which will sell our products to the consumers at a reasonable price, which specially assures good quality and taste.

## **Product sales by other middlemen**

For selling a variety of products in Germany, the best approach is to involve or appoint an independent regional agent who understands the surrounding and culture, having a clear understanding of the situation. Also taking into consideration that Germany holds the ranking for organising the world's largest trade exhibitions and fairs, proving very important for companies to build their image and status in the surrounding and simultaneously understand who its competitors are, how the market operates and how to create goodwill amongst the bigger guns. (" Distribution", n. d.).

## **Advertising and Promotion**

### **Advertising media usually used to reach your target markets(s)**

Advertising is one of the most evident forms of communication. The types of advertising most used in Germany are Televisions, Print ads( Newspapers), Outdoor, Radio, Online and Magazines, for any product to be introduced in this target market these types of adverting media are highly recommended.. (" Germany Marketing Strategy", n. d.).

As mentioned in our earlier economic analysis report that 51% of citizens obtain new through the medium of television, 22% get the information from newspapers or Magazines and 6% make use of the radio.

Advertising is given the utmost importance in any company or to any product before getting itself introduced to the world and especially in Germany for us to introduce our Kangaroo Meat we will need to approach the right medium to give us the right push in to the target market.

## **Sales Promotions customarily used**

Sales Promotions acts as the key factor in adding value to the sale. Sales promotions are usually used in the B to B Market, where the consumer goods move fast in sales. Germany on the other hand has some interesting strategies to take from, and undoubtedly these promotional strategies have proven to work in the current market trends. (Phillips, C., n. d.).

The Tools used for the promotion of any product have to be taken into effect by understanding the customer sentiments and the way of purchasing, because the

need and want are two separate things when it comes to buying a product. Tools like Consumer goods Coupons, Price reduction, Premiums, data base/ direct marketing, are the main sections given high priority in Germany when introducing a product. (Phillips, C., n. d.).

## **Pricing Strategy**

Pricing is one of the most critical factors when pricing in the International market. Pricing is that element that generates revenue; the remaining elements are driven by cost. The thought that we as exporters need to be cautious when pricing in the Global environment is Counter Trade Requirements, Regional Trading, Increased Competitive Levels, and Standardisation against Localisation Issues etc. (cite text)

## **Customary Mark-Ups**

The Normal pattern used by most of the retailers for the mark-up is the customary mark-ups which is a 100% . e. g. If our product cost is 12\$ it will

be sold in Germany for 24\$ keeping in mind the conversion cost between the two countries. (" Pricing Strategy", 2007). In the case of our product we have kept the Customary mark- up price for our retailers as 60% for only the reason being our product is new in the market and even though our competitors exist we have to match the standard Quality and Taste of our product , keeping in mind the affordability factor

## **Types of Discounts Available**

Discount types are many and have various purposes depending on the situation, the location, the time period or even the market trend. Types of discounts available in the target market are:

Paper Coupon

Online Coupon

Direct Discounts

Premiums

Reward points

Rebates

Percentage of total Purchase

Cash of total Purchase



As for our Kangaroo meat we will only be using the Coupons, Premiums, and direct discount strategy as it is not possible to introduce all types of discount in the first year of production/export.

## **Compare and contrast your product and the competitors product**

### **The Main competitors who export Kangaroo meat from Australia are:**

Macro Meats- Leading producer of kangaroo and wild gourmet game meat

Southern Game Meat- Export Kangaroo meat to Europe.

D'Groot International Food Marketing - Exports Kangaroo Meat to the USA.

Game meats Australia- Export Kangaroo and Wallaby meat.

“ Ace Corporation” main objective is to export Kangaroo Meat. The idea and the purpose behind selling kangaroo meat is that, its low in fat intake and free from chemicals, hormones and pesticide. It's basically an ultimate free range meat which is very high in protein and iron content. Our Tag line says it all “ Let's Eat Kangaroo” our motive being Healthier Kangaroo meat for Human Consumption.

One of our major competitors is “ Macro Meats”

### **Competitor's Product**

Macro Meats is our biggest competitor. Macro Meats was established in 1987 with a vision “ to develop kangaroo meat not only as another meat for

human consumption, but to promote kangaroo meat's healthy and 100% natural features".

The Company Director and Owner Ray Borda has been the man behind this industry for over 22years.

Some of the Products sold by them are:

Kanga Bangas (Kangaroo Sausages)

Kangaroo Mince-1kg

Marinated kangaroo steak

Kangaroo Mince- 500g

Kangaroo Steak

Kangaroo Fillets

Kangaroo mini roast

Kangaroo marinated kebabs.

(" Products", n. d.).

## **Brand Name**

They export their product under the name- " Macro meats-Gourmet Game".

Is a certified meat exporter and is EU accredited.

## **Features**

Some of their Features which give them a higher advantage are :

Chemical free

Processed as per Quality assurance program

Gluten free

98% fat free

High in Iron

High in Protein

## **Package**

Macro meats-Gourmet Game have a standardised packing pattern for all their products as they have a number of products which they export as mentioned above. Their packaging is done by the Australian Supermarkets and the kangaroo meat is approved by the National Heart Foundation of Australia and many of its products have a Kangaroo fillet " Tick Approval". (" A Growing Industry", n. d.).

## **Competitor's Prices**

### **Product**

#### **Per kg (In AUD)**

Kanga Bangas ( Sausages)

\$13. 00

Kangaroo Fillets

\$17. 00

Kangaroo Mince 500g

\$10. 00

Diced Kangaroo Meat

\$12. 00

“ ACE Corporation” will be only selling four products in the first year of production/export, for the same reason we have compared prices with only four of our competitors products.

### **Competitor’s promotion and advertising methods.**

Macro Meats Slogan is “ Good for you – good for the environment”

The Advertising methods used by them are mainly through newspapers, Television, radio and the weekly special’s booklets distributed by the supermarkets.(“ Environment”, n. d.).

### **Competitor’s Distribution Channel**

The Distribution channels used by Macro meats are as follows:

Air Transport

Distributors

Retailers

Storage at the arrival airport

Truck Transport

Custom Duties

Freight Forwarder Storage

Importers

Storage in Processed Chillers

Macro Meat Processor

## **Market Size**

The Australian Kangaroo Industry started exporting Kangaroo meat to Europe in 1959 having a high response to the European game meat. Kangaroo meat which is processed and exported is checked by the Australian Quarantine and Inspection Service (AQIS). ("The kangaroo industry" 2008). The market size for this type of industry is massive and is spread in Germany, Russia, USA, Africa, China, France, and Netherlands.

## **Estimated Industry sales for the Planning year**

As there are a few organisations already exporting the same product as ours it will be a bit difficult to gain an 100% profit margin. Looking at it from all aspects of the market we have an estimated target of 65% to achieve.

## **Estimated sales for your company for the planning year.**

The Estimated sales for our first year being in business. Selling Kangaroo meat in the Germany will be approximately % 750, 000. 00

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With an estimated Gross Profit of 16.4%

## **Government participation in the marketplace**

The German federal government plays a vital role in the German economy, sometimes directly and sometimes indirectly through the effects of other policies on the economy. Germany being a part of the European Union (EU) which assures a Liberal Movement between European countries. Germany is a leader in export thus the entire European union is its Primary trade partner with 47.8% of the German imports and 53.1% of its exports are made with 15 original members of EU. ("Foreign trade in figures", n. d.)

## **Agencies**

There are two Australian Government agencies that have been set up and will be helpful for us to export. They also provide grants to exporters that assist with business development activities.

They are listed below:

Austrade (Australian Trade commission).

Overseas Business Development Grants from the Department of Foreign Affairs and Trade.

## **Regulation**

The government regulations and list of documents that we will have to comply with, when exporting our product:

Kangaroo Harvester accreditation requirements are that each State has a TAFE course which harvesters must pass in order to gain licences.

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A permit issued by the department will generally be needed to legally export kangaroo products.

The export and import of wildlife and wildlife products is regulated under Part 13A of the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act)

Following the Code of Practice for the Humane Harvesting which ensures humane welfare.

Outcomes of kangaroos. ("Exports", n. d.).

Insurance Certificate

Commercial invoice

Packing list

Freight insurance

Freight documents

Customer value declaration

Certificate of origin

Customs Import declaration (Special certificates, 2009).