

# [The russian ice-cream market](https://assignbuster.com/the-russian-ice-cream-market/)

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In fact, many players are entering the market since it is very attractive. The economy of Russia has grown strong and cities such as Moscow is a very attractive position to start a business. It can be said that the Russian ice-cream market would evolve rapidly as many new players have gained entry to the market. Although the GOST was supposed to have created as a barrier for new players, existing foreign giants such as Nestle can dominate the market. Regional producers also pose as a threat to existing players since they can easily be flexible. In short, this means that the ice-cream industry is robust and dynamic.
Despite the foreign players and regional producers coming into play , Ice-Fili has sustainable competitive advantage. For one, the company has the most number of brands. This gives the company advantage since it can penetrate many markets and create market segmentation of its consumers. Also, it has the largest production capacity which can easily cope up with production needs. These are internal strengths that the company can effectively use to capture the market . Although Nestle appears as a threat, its only edge of Nestle against Ice-Fili is its distribution channels which has strategically created a nice in the premium ice-cream market.
There are also other factors such as pricing and cost which a company should consider when evaluating its competitiveness in the industry. Currently, Ice-Fili has placed its price as average, but as an Ice-Fili executive said, the slight 10% increase would not affect consumer behavior. This reveals a wealth of insight that the company can raise the price of some premium products. However, this move must be supported with a campaign to project to the Russians the uniqueness of these premium products. Ice-Fili has young managers who can creatively make a marketing program aimed at different segments. As for the cost-position, Ice-Fili must stick to its recipe since this is exactly what foreigners wanted out of Russian ice-cream, its creaminess which is a competitive advantage against imported products such as Nestle. Since Ice-Fili has reduced operational costs through better organizational strategies, it must never consider compromising the quality of its products by using cheaper alternatives.
A good recommendation for the company is that it should appropriate a larger percent of its factory production for distribution to gastronomes and supermarkets. The company must reevaluate its marketing strategies to tap other potential market segments that can raise its market share. Apparently, Ice-Fili must penetrate the cafes the way Baskin and Robbins did when they entered the market. Ice-Fili should focus on competing with Nestle which is a direct threat.
In conclusion, the dynamic ice-cream industry has created healthy competition between local producers and foreign players. For Ice-Fili to be competitive, it must attack the competitors through a good pricing scheme that caters to different market segments. However, it must not sacrifice the quality of its products which has earned the loyalty of thousands of customers, foreign or local. If Ice-Fili can develop a good marketing strategy, then it can even eat the market share of Nestle which is a sweet success.