

# [The real chocolate company marketing essay](https://assignbuster.com/the-real-chocolate-company-marketing-essay/)

The Real Chocolate Company is a Gourmet chocolate company that offers a wide range of products as well as handmade gourmet chocolate. They specialise in organic chocolates and have over 100 varieties of chocolate making them a potential threat to companies such as Heresy and Ferrero-Rocher. The company was identified as one of the fastest growing small public companies this is according to the information provided in the case study. This assignment will look at the current strategic position of the real chocolate company, as well as their range of products and services. This assignment will also look at the key stake holders and the strategic purpose followed by an in-depth look at the strategist intent,

## External Analysis

External Analysis examines the opportunities and threats that existing in the current environment in which the business practices. In every business opportunities exist and threats independently and in the ever changing markets opportunist and threats can emerge rapidly. In this section I will use pestle and porters 5 forces to examine the threats and opportunities

## 1. 1PESTLE Analysis

## Threats

The Real Chocolate company as well as almost every company that sells goods and services, must comply with government regulations in the country thy operate in, it can become a threat if the regulation change on the amount of chocolate that can be produced and consumed, according to (Morone, 2002) the obesity levels in the US have reached an all-time high and fast food and confectionery good such as Chocolate and sweets are to blame, this external force can threaten the Real chocolate company.

Taxes on candy and other legislations would affect the cost of chocolates and confectionery products, this threat could seriously affect the real chocolate company, as the company do not sell their goods in local stores they are at a bigger disadvantage, but as products are made in store and by hand production can be stopped relatively easily.

Health concerns can also affect the sales of the chocolate despite the fact that dark chocolate has numerous health benefits, but when taken irresponsibly can have a negative affect. As mentioned earlier, obesity is one concern that seems to be affecting very business and companies have to create healthier alternatives.

Prices of raw materials could increase and decrease depending on the stability of the economy and or the market, in the case of environment wheatear conditions in cocoa farms can become harsh and affect the amount of coca produce, with limited supplies the demand for coca will be higher and the price for the raw material will be greater. This is the main threat that the real chocolate company faces, unlike other problems that can be solved with creating healthier alternatives, this threat cannot be fixed unless the real chocolate company invested in their own coca farm

## Opportunities

Young people are becoming more independent from a younger age therefore they should become the target market for gourmet chocolate the real chocolate company, this group can serve as a potential opportunity to increase sales.

Improvement of the company website can allow for better promotion of products as well as greater networking opportunities such as increasing client portfolio and hopeful gain international clients thus improving the companies chances of being successful overseas.

Following Ferrero-Rocher’s designed of their packages; the real chocolate company should package their products in a unique design that helps them stand of from the competition, also they can take advantage of their varieties and package each particular chocolate in its personal package, this could be costly but it will include public awareness of the company.

Join the health bandwagon, the real chocolate company can use the obesity threat to their advantage by creating more helter alternatives, it would help if the company stressed the fact that their product is health compared to the competitions.

## 1. 2 Porter 5 forces

Assess the competitive environment to find the threats and opportunities that the real chocolate company faces in their market.

Rivalry in the chocolate industry is very high, according to the research conducted in other assignments the market is highly competitive, this means that more experienced companies in the market will have larger growth and greater returns compared to the real chocolate company, this threat means that the Real Chocolate company would need to create a new strategy in order to compete directly with the larger rivals

Suppliers have the most power in the chocolate industry as stated earlier, in the even a war or weather conditions affect the coca supplies the price of chocolate will rise, this means the real chocolate company needs to pay more and to cover the cost would have to increase price. According to (Wearden, 2011) coca prises are on the rise this means that suppliers will have an even greater power over the real chocolate factory.

Entry into the market is high but as the real chocolate sells organic gourmet chocolate they are not in immediate danger from new generic chocolate companies entering the market.

## Internal Analysis

This section will identify the internal capabilities of the real chocolate company and match them against factors commonly found in the industry.

2. 1 Strengths and Weaknesses

A company motto might not seem so important but “ Perfection in handmade gourmet chocolate” is an excellent way to inform customers of the quality and care than goes into the chocolates.

The company’s high regard for the community is a real strength wherein the company provides sponsorships and provision for educational opportunities, as stated in the case study this method is low-cost but has a high publicity return. Publicity is an essential for small companies and the more people know about the company the greater the potential for new customers.

The larger varieties is a competitive advantage that other chocolatiers lack, the larger pieces of gourmet and the variety doesn’t limit the customers which promotes higher sales as they have enough variety to cater to every customer.

The real chocolate company strengths include their new integrated management system , Manufacturing resource planning (MRP II) makes sure the company’s system are maintained, the new system allows the company to predict and planning for any issues that might affect the company on a daily basis. Ideally it addresses operational planning units and is capable of answering “ what-if” questions, constantly readjusting to the every changing units, this is according to (Investopedia, 2009)

Bad promotion can be the down fall of any company, in the case of the Real Chocolate company advertisement or lack of it is one of the biggest weaknesses of the company. With the proper advertisement tools the real chocolate company would increase the number of customers they have as well as increase sales.

One of the biggest weaknesses the real chocolate company has is there lack of innovations; competitors have branched out into different markets or even different aspects in the same market, for example Hershey (a rival chocolate company) has kept in the same market but has created a number of confectioneries goods to increase their sales and market portfolio.

Staff strength

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