

Sealed air harvard case marketing assignment

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Even in terms of attention paid to customer desires, Sealed Air was one of the first. Customer oriented approach was an important matter also because educating the customer about advantages of the product and trying to decrease manufacturing costs of products have come up as a result. Close relationship with the customer created loyalty. The distributes were the important part of this approach too and good relationships with them over the years, the company was able to generate profits with 50% to 110% margins.

These results show that attempts of creating strong brand awareness and educated customers have been successful so company could sell its products in a market where was other close, slightly differentiated and same purpose products were sold. 2. IS GAFFED a threat to sealed Air? If we look at the products of GAFFED we can see its products are not present in Sealed Air's product range so there seems to be no direct competition. Also the market for uncoated products is as small as 15% of total bubble packaging market. That might have been due to Sealed Air's long-lasting efforts of market education and the existing packaging mentality and emphasis on quality. Instead of being seen as additional cost or "expendable commodities", packaging supplies were perceived as a productive, cost-saving resource. 3. If you were Barrett Houses, would you recommend that Sealed Air introduce an uncoated bubble? If so, how would you position and price it? For the US market, the introduction of an uncoated product by Sealed Air would not be a very good move.

First, since the firm has been a "historic champion of barrier-coating", starting producing a product which has been characterized by the very firm

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as weaker and lower quality would go against the very major message of the company and its cost- effectiveness approach. This would at least put under question mark the image of the company and its philosophy, at most render almost futile all its market education efforts of more than a decade. Anyway, as mentioned, Gaffer's success did not come about as a result of creating additional market but rather of gaining a portion of market previously occupied by Astor.

It is not that the profit margins were low for the uncoated products (nodded, these hovered around 60-70%), but the change in the product line would have been against the whole idea of Sealed Air. And the firm had ere good brand awareness and the American customer was opting for quality and competitors on the European market seemed to have the potential of a much more powerful impact. The European customer was not that "educated" about the product and many regarded packaging supplies as "expendable commodities", making the price in this market a key driving determinant of purchase choice.

In this context, the decision to diversify by enlarging the product line into uncoated bubble packaging material would have a lesser effect on firm's image. Also, faced with the threat of going up to 50% market share in England to uncoated bubble products of Sunsets, having its subsidiary in France forced to shift its production more towards uncoated bubble and having only a small market share in Germany, by not moving into the uncoated bubble production, Sealed Air would not only lose a part of its existing market share but also lose a market opportunity by opting out.

Given this huge market, Sealed Air could acquire new facilities and upgrade the existing ones to be able to successfully compete with the European producers. Doing nothing would ring the risk of being swept out of the market in the near future. 5. Given your plan, what will be the impact on Sealed Air's business model? In the United States, the business model of Sealed Air Company would essentially stay the same. However, on the European market, the company needs to diversify its product line in order to at least keep its existing market share if not expand it.

This would involve the existence in practice of two distinct business organizations, different for the two markets. In the US it would continue to educate customers, do business through the already established distributor network and maintain its original philosophy while in Europe the firm would have to be more pragmatic and realize the need to modify its message and image to be able to maintain its appeal to the consumer which here is much more price sensitive.