

Business plan: tuna export business



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The paper aims to provide a marketing business plan about the tuna export business for from Australia to Thailand. It will utilize the PESTLE, Porter's Five Force model, SWOT as the analysis model to process the macro and micro analysis. After that, it will conduct the market segmentation and entry model design. Also, the paper will show the marketing objectives for the purpose to let decision makers how to deal with future marketing activities in Thailand. At last, it will make the marketing mix strategies for the purpose to let the export business could be able to enter Thailand quickly.

Thailand has a developed tuna industry that it has a good trade relationship with Australia. However, fishing yields of Thailand have been reduced and the market demand for tuna is still big. The tuna export of Australia could be able to effectively support the Thailand tuna related business and it could be able to simulate the local fishery industry as well. What's more, the paper has the significant for related decision makers to understand how to provide good service to satisfy customers in Thailand.

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1 Introduction

1. 1 The overview of the tuna Industry on Australia

In Austria, the value of fisheries export production has accounted for about 3% and was \$ 2. 2 billion (Athukorala & Kohpaiboon 2011). Australia focused on its sustainable fisheries development in the country so as to support the export business. The Harvest Strategy Policy has been developed in 2007 which has committed to the advanced technologies to catch fish for the country's fishery industry (Athukorala & Kohpaiboon 2011). Still, Australia has engaged in regional and international cooperations for the purpose to enhance the cross-national interactions to improve the fishery industry development. A regional forum has engaged Australia promoted cooperative relationships with many neighbour countries such as Thailand, Singapore, Malaysia, the Philippines etc. The Pacific Islands Forum Fisheries Agency (FFA) has made more efforts to support the sustainable fishery development in the Pacific areas (Athukorala & Kohpaiboon 2011). Other international organizations such as the Indian Ocean Tuna Commission (IOTC), the Western and Central Pacific Fisheries Commission (WCPFC), the Conservation of Southern Bluefin Tuna (CCSBT) etc have effectively cooperate with the Australian fishery industry to improve its fishery industry to make more contributions to the global fishing industry to great extent (Athukorala & Kohpaiboon 2011).

1. 2 The overview in Thailand

Thailand is a Southeast Asian country with an area of about 513, 000 km² and the population is 64 million. Bangkok is the capital city in Thailand, also it is the important economic and commercial centre of the country as well (Barclay 2010). The population structure of the nation has been comprised of Thai, Chinese and Malay. Thai is the official language in the country and

about 95% of the Thai has the religious belief of Buddhism. However, Thailand has experienced an economic development since 1980s which has also helped the country to make some progress (Kalaiganam, Kushwaha & Varadarajan 2008). However, Thailand still is a developing country and the entire income structure is relatively low. The gap between the rich and the poor is quite outstanding. Due to its coastal location, the country has a relatively developed fishing industry. The mature fishing market and its independent foreign relations policy has let the country always be able to develop its fishing industry especially the tuna industry.

2 Business Analyses

2.1 PESTLE Model

The PESTLE analysis aims to help decision makers conduct the macro environmental analysis so that it could be able to determine whether the host market has the value to deal with overseas business (Laroche 2010). It will include six aspects of political, economic, social, technological, legal and environmental.

2.1.1 Political

It will mainly pay attention to political factors of Thailand to see how about its current political system and the governmental attitude.

The current political structure of Thailand is the constitutional monarchy and Prime Minister is the head of the government to deal with related political affairs (Hsu 2011). The Thai government has paid more attention to the foreign relations to seek stable relationships with relevant trade partners for

the purpose to display the important role of the political position in international business practice. During the globalization process, the government still has played the increasing important role in helping the country to engage in more international interactions.

2. 1. 2 Economic

Economic factors could show the economic status, inflation, employment situation, GDP etc elements in the country to indicate the current economic condition in the target market (Kumar & Rajan 2012).

The Thai has carried out a free economic policy which belongs to the export-oriented economy. The economic system of the Thailand has mainly depended on outside markets such as America, Japan, Euro etc. The nation has a quite developed manufacturing industry, especially in the electronics industry. The 1997 financial crisis has affected the country seriously, but it has been recovered from 1999. As of the year of 2010, the foreign debt of the country is 9. 65 billion USD, the foreign exchange reserve is 17. 21 billion USD (Hsu 2011). The inflation has maintained at a level of 3. 3% while the unemployment rate is 1. 04% (Hsu 2011). However, the nation has a 2, 705 km coastlines. The Gulf of Thailand and the Andaman Bay are the two natural marine fishery in Thailand. Also, Thailand has a freshwater farm with a total area of about 1, 100 sq. Km (Hsu 2011). Thailand is one of the key suppliers of fishing products in the world and it is the third marine fishery countries after Japan and China in Asia. The total employment population in fishery industry is about 500, 000 (Hsu 2011).

2. 1. 3 Social

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Social factors could be able to show the social status in the host market which could help to understand how people will communicate with each other so that decision makers will understand how to process interact with each other during business activities.

The life quality of the Thai has maintained a relatively high level from the 1980s to 1990s. The 1997 financial crisis has caused a downturn in GNI index in the domestic market. After that, its people's life quality has onced recoveries since 1999 (Hsu 2011). The nation has been comprised of more than 30 ethnic groups. The major ethnic group is Thai which has accounted for about 40% in the country. Thai people are moral and they always respect with each other during daily life.

2. 1. 4 Technological

Technological factors could be able to show the situation of technology development in the local market which could indicate how businessmen could be able to utilize advanced technologies to deal with business in practice.

Thailand has invested more on Biotechnology, material technology, e-commerce etc in the past few years.

2. 1. 5 Legal

The current legal system of Thailand is based on the continental law system that the court will rely on the statute law to execute affairs in practice. The Thai legal system is composed of the constitutional court, judicial court, administrative court and the military court. Each of the courts has displayed

their different functions for the purpose to maintain a healthy and sustainable business environment in the local market.

2. 1. 6 Environmental

Environmental factors could show the environmental situation in the local area which could be regarded an important factor in sustainability (Dishman & Calof 2008).

In Thailand, the over harvesting of marine fisheries has decreased its fishing yields by about 90% which will do harm to its fishing industry greatly. Also, the coastal areas have been affected seriously. Consider the natural resource is limited, the Thai government should make more efforts to govern the environmental issues and related decision makers should issue more environmental protection laws to protect the local fishery industry.

2. 2 Porter's Five Force Model

The Model is a kind of analysis method to help decision makers have a deeper understanding of the industrial condition in the host market so that it could help the company to identify the current competitive situation effectively.

2. 2. 1 New competition

Other countries' tuna export business could be the new competition to affect the Australian tuna export business in practice. In order to enter the market quickly, the Australian related authorities should improve the tuna quality.

2. 3. 2 Substitute Competiton

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Substitute products or services of the tuna products could be other sea products. The coastal geographical location of Thailand could help the country to catch other marine products to instead of the tuna product.

2. 3. 3 Buyers' Bargaining Power

Buyers in Thailand could have the bargaining power since they may have wide range of purchasing source. Also it domestic developed tuna industry could be the support to prevent overseas' suppliers effectively.

2. 3. 4 Suppliers' Bargaining Power

Suppliers still have the bargaining power since they may choose other tuna export dealers to process the tuna business. What the Australian association should do is to improve the quality for its tuna and it should offer a competitive price so as to attract suppliers in the local market.

2. 3. 5 Current Competitors

The Thai Union Group which is the leading organization to deal with canned tuna processing and exporting business could be the main competitor to Tuna Boat Owners Association. In order to open the Thailand market, decision makers should focus on conveying its good tuna quality to the host market.

2. 3 SWOT Analyses

The SWOT analyses could be helpful for the company to recognize how to utilize the internal strengths to find potential business opportunities in the market while avoiding unexpected risks (Morgan, Katsikeas & Vorhies 2012).

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Related decision makers could make use of effective business strategies base on the analysis model.

Strengths:

- 1 The strong capability of conducting fishery activities which could ensure a high production and quality;
- 2 The plentiful labor resource and effective fishery mechanisms;
- 3 Good reputation in the Australian market;

Weaknesses:

- 1 It has the quota requirement in Australia;
- 2; A relatively high entry standard;

Opportunities:

- 1 Thailand has a relatively mature fishery industry;
- 2 It is one of the key fishery products supply marketplaces in the world;
- 3 The country has a mature canned tuna processing industry;

Threats:

- 1 The global warming has lead to the reduction of the tuna production in the global market;
- 2 The fishing yields in Thailand have been decreased by about 90% these years;

3 Many buyers still prefer to purchase tuna offered through the local suppliers rather than other countries;

3 Business Opportunity Identification

The marketing opportunity analysis aims to show the potential business opportunities of the tuna fishery in the Thailand which could help the Tuna Boat Owners Association to identify more possibilities in the market. The analysis will base on what have been collected from the above situational analyses.

From the macro viewpoint, the main advantage of Thailand is its good fishery industry and the coastal geographical location as well as its trade preferential policies. The foreign trade has played an important role during its national economic development which could be able to offer good opportunities for the Association to export the tuna to Thailand. Thailand and Australia have signed a Free Trade Agreement (FTA) in 2004 which could be able to effectively promote the collaborative relationship between the two countries (Mourente & Tocher 2009). The Thai government will issue more preferential policies so that Tuna Boat Owners Association will have the confidence to deal with tuna business in the Thai market. Also, the developed fishery industry in Thailand needs sufficient fishery resource for the purpose to meet the demand both the local market and overseas markets. The good quality tuna fishing products from Australia could be able to meet the market demands effectively. Still, the export of Australian tuna fishing products could be able to make up the reduction of the fishing yields of Thailand.

From the industrial viewpoint, the main advantage in Thailand is the developed canned tuna processing industry in the local area. Although some of the local fishing associations will have the competitive competence to compete with the Australian Tuna Boat Owners Association, related decision makers could regard as the competitive environment as a kind of competitive mechanism. The export tuna export business could be able to simulate the local tuna industry development effectively.

From the internal condition of the Tuna Boat Owners Association, it could export the good Australian tuna products to let more Thai people understand the good quality of “made by Australia” tuna. Also, its export business could be able to create more employment opportunities to the host market.

Besides, the export still could be able to let the local government focus on the marine environmental protection governance to recovery its reduced fishing yields.

4 Target market Analysis

4.1 Segment Markets

The market segmentation could be help related decision makers to have a clear understanding of the target market condition so that they will understand the size scale of the market (Athukorala & Kohpaiboon 2011). In fact, the association should have the awareness that the current market is the Thailand. Still, it has the potential market that those who will import tuna from Thailand could be able to regard as the potential target market.

4.2 Segment Customers

The main customer of the Tuna Boat Owners Association are those tuna processing manufacturers, tuna suppliers and related retailers who deal with tuna business in the Thailand market. For those potential customers, those who will import tuna from Thailand could be the indirect customers in the local area. In the future, the Australian Association should focus on improving its fish cultivation so as to serve target customers effectively.

4. 3 Entry Approach and Strategy

The strategic alliance method could be used for the Association to enter the host market. It could help the company to make use of some of the local resources to enter the market (Neill & Rose 2006). It is quite common that always be used for international businessmen to trade with each other in the global market.

Those “made in Thailand” canned tuna products could be famous around the world. In order to export its Australian tuna products to Thai market, the alliance strategies will generate many advantages for the Tuna Boat Owners Association in the following steps. The matured Thailand tuna market will let the country have developed tuna fishing skills and professional fishing technicians. They could share advanced fishing technologies with each other for the purpose to improve the tuna production. Consider many Thai customers may prefer to choose Thailand tuna or canned tuna products “made in Thailand”. The strategic alliance could let the the Association be able to enter the market quickly so as to offer excellent products and service to the local customers. To some extent, the alliance could be help to let more local people familiar with the Australian tuna.

5 Demand Estimate

Through the above market analysis, the paper will process the demand estimate for the association so as to let the association understand how to make effective strategies to process the future business. Also, it could understand the size of the target market so as to conduct the appropriate export business (Chase 2009).

The data has indicated an increasing trend for the tuna products in the world market. However, Thailand has accounted for a relatively high market share for tuna in the global marketplace and the local catch volume could not be able to meet the market demand. To some extent, the Australian Tuna Boat Owners Association should have the awareness that it could export more Skipjack tuna to support the fishing industry in Thailand so as to realize the win-win situation for both the countries. In the future three years, the Thailand tuna market could be still have a high demand that the export business of the Australian Association will have a positive trend which could lead to a long-term development relationship between the two countries in the future.

6 Marketing Objectives

The Tuna Boat Owners Association has the business vision to occupy more market share in the Thailand market so as to extend its Australian tuna business to the host country. The Australian Association hopes to let more and more Thailand people understand the good quality of the Australian tuna and it hopes to let more Thailand people have the opportunities to experience the Australian taste. Still, the association has the objective to realize stable market share in the host market within a relatively short period

of time so as to make profits for its Australian tuna industry. Besides, it has the objective that its export business could release the pressure of the reduction fishing yields in the Thailand market. Through these marketing objectives, the Tuna Boat Owners Association could ensure it could be able to establish long-lasting relationships with related stakeholders so as to realize sustainable development in the future. Also, it will establish a good reputation in the Thailand market through its efforts.

7 Marketing Mix Strategy

During the international interactions, it is important for decision makers to make effective marketing mix strategy to serve the target market. The strategy should be combined with the Product Life-cycle Management (PLM) so that the appropriate strategy could be set up which means effective strategies should in accordance with the product characteristics (Pomeroy 2012). Product, price, place and promotion are the four elements in the 4P strategy which could be useful for international marketers to consider (Parris & Grafton 2006).

7. 1 Product

The Association should focus on offering best tuna products to Thailand. Customers always hope sellers could provide excellent products or service to meet their requirements (Rust & Espinoza 2006). The association should have the awareness to ensure the quality of its export tuna products. Since Thailand and Australia have the trade collaboration relationship and the good quality of its export tuna products will help to improve the trade relationship in the future. With the good quality product, the Australian tuna products will

build its high level reputation in the host market successfully so as to make more profits in the future.

7. 2 Pricing

Tuna Boat Owners Association should offer a competitive price to export its tuna products to the local market. Generally speaking, a competitive pricing strategy could be able to open the market quickly so that it will be able to attract some related trade partners during business activities (Raff, Ryan & Stähler 2009). There are many rivals in the market which mean each of them prefers to use pricing strategy to obtain competitive advantages in the market. Decision makers should have strong awareness that the price could be regarded as one of the competitiveness to let its export business to obtain opportunities to sign contracts with local companies. To some extent, it is important that the association should understand the local price standard so that marketers could be able to make use of the appropriate pricing strategy to win more market share and to reach more business objectives.

7. 3 Place

Tuna Boat Owners Association should enhance the distribution ability so as to ensure the fresh tuna could be sent to the host market timely. In general, effective distribution may rely on an integrated logistics system so as to ensure each of the transportation stage is safe (Sinkovics & Ghauri 2009). In the following marketing stages, the association could focus on enhancing the supply chain management and introduce the lean thinking to the supply chain activities for the purpose to ensure the effective and timely

transportation and reduce some duplicated actions during the distribution process. To some extent, a good distribution could help to send the correct product to the correct place within the time of period in the future (Baker & Sinkula 2005). The Australian Association should pay more attention to the transportation speed so as to enhance the performance in the local market.

7. 4 promotions

An appropriate promotion could help the company be able to enter the local market quickly. Also it is another important element in the 4P strategy. Tuna Boat Owners Association could make use of both the social media and the trade fair to promote its tuna in Thailand. Nowadays, the online technology has developed quickly and some SNS communities such as Facebook, Twitter, LinkedIn etc could be utilized to conduct business in practice. Tuna Boat Owners Association could set up website to link with some related organizations in Thailand for the purpose to make use of these local channels to let Thai people understand more about Australian tuna. The application of these social media could be regarded the B2B technology which could let the Australian Association operate its export business effectively. Besides, the association could hold the trade fair in some of the important cities such as Bangkok, Ayutthaya, Kanchanaburi, Ang Thong etc. During the trade fair, related directors should be responsible for introducing the Australian tuna to people live in Thailand. Also, some foretaste samples of canned tuna could be offered to let Thai people experience the Australian taste. In short, the promotion could have more advantages to the Australian tuna export business in the future.

8 Conclusion and Recommendations

8. 1 Conclusion

In conclusion, Thailand is a potential market for Tuna Boat Owners Association to expand its tuna business to the market. Through the PESTLE, Port's Five Force model and the SWOT analysis, the main advantage of Thailand is its good fishery industry and the coastal geographical location as well as its trade preferential policies. The foreign trade has played an important role during its national economic development which could be able to offer good opportunities for Tuna Boat Owners Association to export its tuna business to Thailand. In Thailand there is the developed canned tuna processing industry, the export products could let more Thai people understand the good quality of "made in Australia" tuna and it could be able to create more employment opportunities to the host market. In order to enter the market, the strategic alliance could be regarded as an appropriate method. The Thailand tuna industry could be still have a high demand that the export business of the Australian Association will have a positive trend which could lead to a long-term development relationship between the two countries in the future. The association should pay attention to offer good quality tuna products with competitive price to export its tuna products to the local market. Also it should depend on the lean supply chain management and both the social media and the trade fair to promote its tuna.

8. 2 Recommendations

In order to effectively deal with the tuna export business in Thailand, the author will suggest some recommendations for related decision makers to reference.

8. 2. 1 Enhance the IHRM

Tuna Boat Owners Association should enhance the IHRM so as to improve the local employees' integrated qualities to work hard for the association. Due to the employees' performance will determine the whole organizational performance, the effective IHRM could be able to help the association find more well-trained employees to enrich the organizational competitiveness in the local marketplace (Setthasakko 2012). In the following step, decision makers should fully display the IHRM functions so as to recruit and retain high quality employees. Some HR personnel should be trained with professional knowledge so that they will effectively carry out the IHRM to help the association deal with human related activities.

8. 2. 2 Enhance the customer service

Tuna Boat Owners Association should enhance the Customer Relationship Management(CRM) for the purpose to set up the long-term relationship with local customers. Customer is always an important element during marketing business (Ataman, Heerde & Mela 2010). Products or service providers should always understand what will be the most wanted from the market so that they could offer the appropriate products or service to satisfy them (Zikmund &Babin 2009). In the future, related decision makers should focus on relationship maintenance with its customers in the market so that a strong customer loyalty will be established.

8. 2. 3 Use ERP or SaaS systems

Tuna Boat Owners Association could install ERP or SaaS systems for the purpose to integrate related internal activities. These systems could have great advantages to realize the strategic business for the association so as to help the association reach more achievements in practice. ERP could be more expensive than SaaS and it will need a long time deployment cycle while SaaS could be installed just according to company's real needs (Zahay & Griffin 2010). The association could be able to choose the appropriate system according to the real need. With the assistance of the system, the association will have more competitive advantages to conduct its business in the future.

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