

Kea majors case study

Business



This translates into purchasing leverage which, in turn, allows the Company to offer low prices, though in China, as a result of the inherent low retail prices, the product has to be sold as a premium product (ILL, 2008).

2. 3 Quality, green credentials KEA majors on the quality of its products.

This, irrespective of geography, culture and price is a major benefit for the Company, helps define its supply chain, but most of all gives customers confidence in the product and brand.

In western markets, where there is a tendency to entertain at home, this helps create repeat, and referral business which is further supported by the longevity of many of its product lines. This combines with Kike's strong belief in recycling - as reflected in its annual Sustainability Report (KEA, 2010). 2.

4 Global appeal, local sensitivity " growth NAS seen It develop Its markets Trot local, tongue regional Ana continental growth, finally stepping out of the western culture into Asia though its progression into Japan and China.

In these later markets KEA has seen major cultural and commercial differences that it has had to address through modification of its offering (ILL, 2008). Despite the costs associated with introducing product that can only be sold in limited territories, KEA has seen fit to offer products that tune its offering to the local market egg chopsticks, meat cleavers and products for celebration of the Chinese New Year, whilst adapting others to better fit the needs of the local market egg different bed sizes for China, though it still fits these within its global product ranges egg Sultan Hog beds (LEE and CARTER, 2009).

It was assisted in this by timely changes in legislation (Large Scale Retail Law deregulation) that was undoubtedly an influence on the timing of their re-entry to the market. Company faced in China and in other markets.

. 1 China In China KEA has adopted the strategy of “ Think globally, act locally (various attributions). SKIES’ marketing strategy in China has been one of bringing the best of KEA from established markets, whilst expanding and adapting the range of products offered to attract the local clientele.

It has had to adopt its position (compared to other markets), becoming a premium product seller in China, but has embraced strategies that create awareness of its product offerings - even to the extent of encouraging (or at least supporting) social activity at its retail outlets (BURNETT, L 2011). The expanded product range features both variants of products that are sold elsewhere which are adapted for the local market (egg bed sizes), and the inclusion of products (or expansion of product ranges) that are offered exclusively in the Chinese market egg chopsticks, expanded ranges of meat cleavers and products for the Chinese new year etc.

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These minor variants of the product range are likely to be disproportionately expensive (to source and manufacture), but are essential to engaging the local customer base. SKIES’ essence expansion NAS Tallow ten wealth AT ten essence - Walt Minimal sleets In Shanghai being followed by operations in Beijing, then further field. This pattern follows the developing wealth of the Chinese nation, which is focusing on coastal areas, and then progressively

moving inland - this pattern has been followed by many retail and manufacturing organizations - follow the money!

Despite the potential opportunity presented by the market, the Chinese operation has yet to be profitable - perhaps the ability to financially support a substantial operation that has yet to offer any payback confirms the faith and commitment that KEA has in its current global- local strategy is its biggest marketing strategy - it canFordto wait until either it improves its alignment with the market through further development of its product offering to address local needs, and / or until the local needs and ability to consume the KEA products align with what KEA is offering.

Asia is westernizes at a rapid pace - assisted by the development of telecommunications and international interest and involvement in global events such as the Olympic Games, China introduced regional minimum wages in the period prior to the 2008 Summer Olympics (CHOU, M 2008)) this increased consumer spend, and continues to eel consumer ambition - even if the minimum wage levels have not always been adhered to.

4. 2 Other markets In Japan and elsewhere, SKIES' marketing strategy has been to offer attractive, quality goods, from its standard range of products in a familiar way, at relatively low prices.