

Aquarius food industry case study

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However, with the recent business downturn in Mindanao partly due to the ABA Safety hostage crisis, customers have been stretching these payment terms to 60 days. It. MicroEnvironment1. Industry Rivalry Mindanao market share In Mindanao, Neptune, If's brand of bagging laming, is in tight rivalry with Alias brand. Each grabbing around 30 percent of the market share. While Fresco brand is not far, grabbing 20 percent market share.

Alias under new management Alias brand's new company management has expressed intentions to modernize plant facilities and squeeze out costs further. Complementary to this was a more aggressive marketing and distribution tack, designed to overtake Neptune in Mindanao market. Rumor has it that the company that manufactures Alias are intending to give volume discounts and a more generous credit term to big wholesalers/dealers.

Moreover, Alias has reportedly approached If's key wholesalers in some parts of Mindanao like Aegean, COD, etc. , and may be able to persuade some of them to shift allegiance. 2. Power of Suppliers IF favored by shrimp fry suppliers Because of If's more stable requirements compared to its competitors, IF is more favored by the shrimp fry suppliers since its competitors tend to be irregular in their purchases. 3. Power of Buyers

SMS Bonus Plans to toll manufacture from IF With IF already toll manufacturing for Golden Hands, SMS Bonus is also planning to ask IF to be their toll manufacturer to fill up the demands of their customers. But in return for SMS Bonus' commitment of purchasing a minimum of 600 cases per month, SMS Bonus requires IF to manufacture only for them and not to

companies intending to sell in Metro Manila retail outlets. They also want the credit terms to be 60 days. 4.

Force of Substitutes Increasing processed food manufacturing firms With a current 1,165 registered processed food manufacturing firms in the country, the processed shrimp paste is just one product among many, and accounts for only a small percentage of the total. Aquarius food industry case study By Drew-Norris companies in the food processing industry offer a wide range of native Filipino processed foods like fruit preserves, coconut products and sauces, can easily be a substitute for shrimp paste. 5. Barriers to entry Intermediaries In Dave, IF has given exclusive distributorship rights to Dave Duck Enterprises.

IF also sells through sixteen different wholesalers for the other cities in Mindanao. B. Internal Analysis I. Product 1. Secret recipe Neptune brand has a "unique" and "hard to imitate" process the shrimp fry in which the company becomes the low priced leader in the industry. 2. Venturing to processed coconut industry With a former childhood friend inviting IF owner to set up a small-scale operation producing processed coconut items, they now have an option to produce processed coconut items, since it has a ready market, and it utilizes similar equipment and packaging material as shrimp paste. T. Promotion 1. Dave Ducks in store promotion and hard selling Dave Duck Enterprises pushes the product, Neptune, with aggressive in-store remissions in a "hard selling" manner. 2. Lack of monetary support Aquarius Food Industries does not give any monetary support to its wholesalers; monetary support is used for promotions on the end consumer level. Volume

discount to entice wholesalers to push the Neptune brand is also not practiced in the company. iii. Place 1.

Supermarkets and groceries in Mindanao Mainly, IF distributes its product, Neptune, in Mindanao. Segregating its main markets into two, Dave and other cities such as General Santos/Canaan De Errol Button/Sambaing. If's wholesalers and dealers pushes Neptune brand to permeates and groceries, some of these companies are described as " groceries of groceries".

Basically, If's Neptune bagging laming is displayed in store shelves of these places. 'v. Price 1 .

Low-priced Leader IF boasts of being the low-priced leader in the industry and this is because of how differently it processes the shrimp fry. Neptune retails at APP-13. 50 per bottle, the lowest in the industry along with Fresco. While others like Alias is at 10 percent higher, Barrio Fiesta is higher at APP-33 per bottle and other local brands are in the range of APP per bottle. On the other hand, imported brands like Lee Sum Eke and Tanning Malice are premium priced, costing more than APP per bottle.