

# [Green tea organics pest, swot and porter's analysis references](https://assignbuster.com/green-tea-organics-pest-swot-and-porters-analysisnreferences/)

When an organization gets prepared to step into the international market, it has a lot of things to do. The term “ marketing” will always be an inevitable term for them whether they are supplying the products domestically or internationally. There are many differences between the domestic and international business in terms of marketing.

Whenever an organization sees itself doing great in the domestic market, it also aims to capture the international market. But capturing the international market is not an easy thing. It needs a lot of research, planning and effort. The managers need to do understand all the complexities and diversities of international marketing. After understanding these things, they also need to build up the skills, aptitudes and knowledge so they can achieve their target in the international level.

There is a need for strong research and development team in the organization to learn about the need of the products in the market and also to learn about how to establish their brand in that particular country for attracting and satisfying the new range of customers. There is a need to perform the PESTLE analysis- political, economic, social, technological, legal and environmental analysis. They also need to learn about the strengths, weakness and the opportunities of the organization in that market.

As the consumption of tea in Malaysia is increasing day by day and there is a growing need for organic tea, Green Tea Organics Limited, a recently formed organization thought of exporting organic tea to Malaysia. This report will focus on the external environment analysis by Green Tea Organics Limited. It will also try to analyze the strengths, weakness and opportunities and at the end, this report will try to design some marketing strategies for Green Tea Organics Limited for coping up with the market.

Planning is always defined as a systematic way for relating things to the future. It is basically an attempt which is taken to manage the effects of external, uncontrollable factors on the strengths, weaknesses, objectives and the goals of the firms for attaining a desired end. Again, it is held to be a commitment of resources to the market of a country for achieving specific goals. We can also say that, planning is basically the job of making things happen in a synchronized way otherwise things might not occur. (Enderwick, 2009)

It can also be related to the formulation of goals and methods for accomplishing them. So, it can be termed as both a process and a philosophy. Structurally, there are three ways to be used to define planning- corporate, strategic and tactical. International corporate planning is defined to be a long-term goal incorporating generalized objectives for the organization. The highest level of any organization conducts this planning. They also deal with the product, capital and research.

International marketing strategy is the kind of a corporate planning which the highest levels of managers undertake to place their products in the international market (Cadogan, 2009). For that, they design different market entry strategies along with new marketing mix strategies so the products can catch the essence of the market and can also attract the right base of consumers.

According to many researches, a cup of tea contains less caffeine than coffee. This is the reason health conscious consumers are more driven to drink tea. The invention of organic green tea is leading these consumers to prefer tea more than coffee as it has been widely promoted these days and it has also so many positive health benefits. (Waranantakul, 2014)

There is an increase in the health conscious consumer base in Malaysia for which Green Tea Organics Limited chose it as their market place for organic green tea.

International marketing is defined as the application of marketing principles by an organization or association in more than one country. There is a much debate between international marketing and global marketing. Coincidentally they both are held to be the same. (Peter and Olson, 2010)

Situational analysis is performed to better understand the complexities and advantages in the market for the newly arrived organization. It consists of 5C’s- Company, Competitors, Customers, Collaborators and Climate. (Pandurangarao, 2015)

## 3. 1 Company

Green Tea Organics Limited started its journey in Assam, India. Domestically, it has a strong market of a 3. 5 crores of organic tea consumer base in the all-over India. It has approximately 200 farmers in the different areas of Assam and among them, 120 farmers are certified. Seeing this growth, they want to export tea now.

## 3. 2 Competitors

Green Tea Organics as several competitors in Assam, India. But they have been able to differentiate themselves among them because of their quality and price range. Now it wants to capture the market of Malaysia with the same attributes.

## 3. 3 Customers

The growing health conscious consumer base of Malaysia is the main customers of Green Tea Organics Limited. Since they prefer tea to coffee and also want to have it in a low price range, Green Tea Organics has a strong potential to catch the market.

## 3. 4 Collaborators

Collaborators are the agencies or the media who help the organization from the foreign countries in setting up their business in the other country. Green Tea Organics will use the indirect channel for the distribution of their products. They will look for the third party agencies so they can sell their products in the market for the first few months. The advantage of using an indirect channel is that it doesn’t require sales personnel to be present at the market.

## 3. 5 Climate

The climate for a business means the external environment. Green Tea Organics is currently ready to face all the complexities in the Malaysian market.

## 4. 1 Mission Statement

Right now, Green Tea Organics Limited wants to export their product organic tea to Malaysia to capture this international market with the quality of their product and also the low price range.

Basically the roadmap of Green Tea Organics starts with the mission which is held to be enduring. It very well establishes the purpose and also declares the standard against which it will always weight their actions and decisions. The missions are-

* To give a refreshing start to the day
* To motivate people with optimism and happiness
* To create a value
* To make a difference in the society

## 4. 2 Product

Green Tea Organics Limited wants to introduce their signature product organic green tea in the Malaysian market. There are some very important health benefits in it. There is the presence of polyphenoloxidase in it. According to doctors and researchers, there is an abundant supply of antioxidants which is said to have the prevention and curing power of more than 14 diseases, such as skin diseases, cancer, cavities, food poisoning, virus and excessive fat etc.

## 4. 3 Target Market

The target market for the organic green tea product of Green Tea Organics is those above of 5 years of age and who are also health conscious. This product can be consumed by any one above 5 years of the age. It will be very helpful for the fat people as it reduces fat and also for those who have diabetic problem as it doesn’t contain sugar. So the age range of the customers basically will be from 20 to 75.

## 4. 4 Financial Analysis

Primarily, it will be priced at 5. 29 ringgit for 1. 5 liter and 2. 55 ringgit for 500 mile liter. In this price range, it is assumed that it will be able to increase the overall sales of the company by 40% which will also contribute to the profit maximization of the company.   It is also assumed that it will produce a profit of 17% in the beginning of the year and it is assumed that it will increase to 25% to 30% by the end of the year.

Researchers basically use PESTLE- political, economic, social, technological, legal and environmental analysis framework to understand the external environment (Waranantakul, 2014). It is said that it helps to understand the macro level factors of the business. This report will use this framework to analyze the external factors that might affect the business of Green Tea Organics in Malaysia.

## 5. 1 Political Environment

There are many political elements which have the potential to affect the organic tea product of Green Tea Organics. One of the reasons will be the duty and tax rate in Malaysia. It has the ability to affect the customer spending and also the enterprise expenses in Malaysia. Recently the Malaysia government has brought down the interest level to boost up the economy. There is another variable which is the interest rates. It would have a positive impact as it will help to bring much investment. Green Tea Organics will be able to bring in investment through loans. Apart from this, currently Malaysia has a very calm political atmosphere which shows the sign of no war and no distressing situation.

## 5. 2 Economic Environment

The business of Green Tea Organics will be profoundly affected by the current economic environment of Malaysia. The last year was a difficult year for Malaysia but they were able to close it on a good note. In the last quarter the GDP had recorded the strongest performance. It expanded in a better than expected rate of 4. 5 %. Acceleration in the fixed investment and resilient private consumption underpinned the robust result. Researchers are saying that ringgit has become weaker and there has been an increase in the oil price which has contributed significantly towards the development. However, they are also saying that the net contribution by the external sector got stable as the imports had gained steam. That’s why Green Tea Organics can hope for a better result when establishing their business in Malaysia looking at all these factors.

## 5. 3 Social Environment

Many social and cultural changes are being seen in Malaysia which can have impact on the consumption of organic green tea. Since there is an increase in the sense of health consciousness among people, they want to consume those foods which have positive health effect on them.

One of the very popular domestic tea manufacturers of Malaysia earned a value share of 34% with a sale of MYR90 million with the introduction of their new product called Green Tea Latte with instant tea back in August 2016. The company also invented a recipe to make jelly by using that green tea latte. They promoted this recipe using Facebook and other social media which earned a lot of attention and popularity. So, they created a social trend of having different foods with the use of green tea. Green Tea Organics Limited has to keep it in mind.

## 5. 4 Technological Environment

As there has been an intense technological growth in Malaysia, it will help Green Tea Organics Limited to create an online business for their organic green tea product. It is told to be one of the most accepted models of the customers in Malaysia. Consumers prefer the online social networking sites like Facebook, twitter and YouTube to be the most interactive platforms for their communication with the manufacturers and others. Academicians and market researchers proclaim this to be as one of the main ingredients for a successful marketing strategy which allows the customers for finding the best facilities and also for developing effective communication that involve using different apps on their smartphones.

## 5. 5 Legal Environment

It is important that Green Tea Organics Limited maintain all the legal procedures while starting their business in Malaysia and exporting the products in here. They will have to maintain the standards that are enforced by the jurisdiction. They will have to maintain the regulations of processing the tea, the packaging, sourcing and manufacturing and distributing it to the market.

## 5. 6 Environmental Analysis

The climate of Malaysia is warm throughout the year. The temperature of Malaysia ranges from 20 degree Celsius to 30 degree Celsius on an average. It has been observed that basically a tropical weather is observed by Malaysia. It is also believed that it is never too hot. That’s why it can work as a positive thing for Green Tea Organics as their organic green tea product will have the need all the year round. If it was too hot, people would have rather gone for cold drinks. So the tropical weather of Malaysia will give a head start to the business of organic green tea.

Green Tea Organics Limited is going to establish a premium positioning for the first time. For their product, the tea leaves are brought from drying. Just after plucking, the fresh tea leaves are steamed. It is said that a dietary source of biologically active compounds is provided by tea. They are assuming to prevent a wide variety of diseases. There is much evidence which say that a moderate level of the consumption of tea will protect against various forms of diseases. Still, to establish a business, Green Tea Organics will have to analyze their strengths, weaknesses, opportunities and threats. (Krstic and Becic, 2011)

## 6. 1 Strengths

* Green Tea Organics has a strong brand image in Assam, India.
* They produce good quality products with fresh ingredients.
* Their products have an affordable price range. They are considered cheaper among all the other competing brands.
* Their products taste delicious
* It doesn’t contain sugar
* It will work as a savior of thirsty
* In the drinkers, it will have a calming and soothing effect.
* It bears international standard.

## 6. 2 Weakness

* It is primarily having a poor advertising strategy.
* It is a brand-new product in Malaysia.
* The rate of awareness among the consumers is still pretty low.
* It has some very strong competitors in the Malaysian Market.
* It is still having a less promotion.

## 6. 3 Opportunities

* Green Tea Organics Limited can introduce more unique flavor and fragrance in their product. As it doesn’t contain any sugar, it will be much valued by the diabetic patients.
* Other products by the competitors have been introduced a long time ago. The life cycle of their products have been approaching to decline stage. So Green Tea Organics has the opportunity to capture the market.
* They have the opportunity to increase the promotion and awareness of the product through proper advertising and promotional strategies.

## 6. 4 Threats

* Brands like Lipton have established their products a long time ago for which they also have a strong brand image. Their old label is well known to the people of Malaysia. They will approach to their well-known product.
* As it doesn’t contain any sugar. So the consumers may feel bored at a time with the single taste. So if they don’t introduce new flavor, they will not be able to retain the market.

Strategy is basically defined as the art of coordinating and managing the processes of the organizations, such as human resources, money and material for achieving the profit, company growth and customer satisfaction by following the policy and objectives of the company. So the marketing strategy of an organization is also defined as an implementation process through which the manager will be able to achieve the objectives of the company easily. (Krstic and Becic, 2011)

For a marketer, it is hardly possible to satisfy everyone. For every individual, the taste and preference would vary. Everyone wouldn’t like the same product or service. That’s why, there is the need to segment the market demographically, psychographic or behaviorally. There is a need to bring difference among the buyers. (Waranantakul, 2014)

The market for the organic tea product of Green Tea Organics has been segmented. Since it has aimed to do an online distribution, it then eliminates the geographical barrier. Anyone will be able to order the product through the website of Green Tea Organics. Apart from the online consumer base, there will be a consumer base in Malaysia.

For any efficient marketer, he will target the market after segmenting the market. For Green Tea Organics, the consumer base consist the age range from 20 to 70. They include the health conscious consumers. The introduction of new beverages has not really been able to affect the consumption of tea of these people. Their main priority is their health. For them, maintaining their health by having green tea is a priority. Again Malaysia has a tropical weather which inspires having tea at home rather than going out. (Enderwick, 2009)

Green Tea Organics has aimed to position itself by following the premium positioning. So anyone will have an interest to it.

### 7. 1 Marketing Mix

To ensure a proper marketing strategy, there is a need to device marketing strategies and also integrate the marketing programs properly. So, marketing mix is followed which contains 4P- Product, price, promotion and place.

### 7. 1. 1 Product

Green Tea Organics Limited will be introducing the very best organic tea product in the market which contains no fertilizer or chemical when growing them. The company will be exporting the tea directly to Malaysia just after deriving it from the garden to protect its originality. Green Tea Organics will be using their own brand name to sell the product. They will be selling it in bottles and tea bags for the convenience of the consumers.

### 7. 1. 2 Price

The price range of the organic tea products will be an affordable one. A 35% of the margin will be kept aside for the retailers who buy in a bulk. After the product is delivered, the company will give them a month of bonus period. They will also give a month of credit period to those who will buy in larger quantities.

### 7. 1. 3 Promotion

Green Tea Organics will be using the line advertisements. They will advertise and promote it by using their public relation.

### 7. 1. 4 Place

Green Tea Organics will rent a place at first where the products will be stored for distribution. Various kinds of distribution channels will be used to reach the customers. The product will have its availability at various super markets. It can also be found in the shops in the neighborhood.

Apart from all these, Green Tea Organics will have its own website for carrying out their online transaction.

Thus Green Tea Organics Limited will be following the marketing mix strategy of 4P to market their product.

For any organization, it is difficult to capture the essence of the international market at first.    It requires a great deal of research, analysis and effective decision making process to give a head start to the business. For any business in the international market, there will be strong competitors. To differentiate the business from them, there is a need to develop the kind of a marketing strategy that will promote the product and the organization to the consumers literally in a different way. This report has tried to develop the strategy by analyzing all the issues of the international market. Now Green Tea Organics Limited will be following all these strategies to capture the market of Malaysia with their organic tea products.

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