

Kraft tiger uses market segmentation in singapore

[Business](#), [Marketing](#)



Kraft Tiger Energy Choc Biscuits (Kraft Tiger) generates various benefits for its consumers. Firstly, the product provides a variety of nutritional values, which contains a plethora of vitamins and minerals, so-called the 'ENERMAXX', which is a combination of 9 vitamins and 6 minerals, including vitamin B1 and B2 that helps in releasing energy and thus gives the consumer extra energy in doing their activities (Animetric's World, 2009). Secondly, as a convenience goods, the product could fulfill the consumer's crave for snacks. Kraft Tiger has several distinctive features in its packaging and labeling that makes it different from the others.

The first one is the train picture at the back of the package, the second one is the 'ENERMAXX' logo, and the third one is the picture of the biscuit itself at the front, with the biscuit colored in brown to indicate the flavor. Given the three visual attributes mentioned above, consumers could tell the difference of Kraft Tiger from the other products right away, and also from the products of the same product lines (and brand).

Features and attributes that Kraft Tiger has include the halal logo and the red color of its packaging. Halal logo is a pre-requisite for any retail products within Singapore, in which there are a substantial amount of Islam adherers, it means that the product has passed the test process in proving that it is free from illicit materials according to Muslim rules. Kraft Tiger also come with extra services for its consumers, such as the plastic bag carrier given by the retailer, consumers could then re-use the plastic bag for other purposes. The plastic tray inside the product could also be recycled for other purposes if consumers wish it.

Consumers are the primary user of Kraft Tiger, consumers refers to individuals or households who purchase goods and services for personal uses (Kotler et al. 2009, 35). There is a high number of competitors dealing with similar products, consumers are inclined to spent little time and make low efforts in finding Kraft Tiger, since generally they would simply look for substitutes. Kraft Tiger comes in several models, which differs in flavors and types/shapes of biscuits, which made the distinctive features mentioned above necessary to differentiate each one of them.

Kraft Tiger also has several unique features which differentiates it from its competitors; one of them is the tiger picture at the front, consumers would be able to recognize the product easily just by looking at the picture, and it could make it easier for them to remember the product as well. There is also the Kraft logo, Kraft is one of the famous brands among the food industry, and thus could help in increasing product awareness and consumer's confidence towards Kraft Tiger (Kotler et al. 2009, 288).

Kraft Tiger is engaged in a monopolistic competition market, monopolistic competition is a market situation where many buyers and sellers trade over a range of prices, rather than at a single market price (Kotler et al. 2009, 361). There are various other large corporations with well-known reputations beside Kraft selling similar products, thus Kraft Tiger is engaged in a competition to determine which brand could offer the best quality product with the most reasonable price. Kraft Tiger is subjected to the price elasticity of demand, price elasticity of demand measures the rate of response of quantity demanded due to a change in price (Moffatt, 2010).

The price elasticity of Kraft Tiger is elastic, consumers would strongly react to a change in price, if there is an increase in price, quantity demanded would decrease significantly, and vice versa. Since Kraft Tiger is engaged in a monopolistic competition market, where there are a high number of substitutes available for consumers, even a slight change in price would greatly affect the number of demands. However, the law of price elasticity in a monopolistic competition market could be dynamic in some occasions; this depends on the type of consumers. There are some consumers who are brand loyal to a certain brand; this means that some consumers are willing to purchase the product of that brand despite the price increase, however this type of situation only applies when the change of price is not too significant and is reasonable (Bijmolt, 2011).

Kraft could be considered one of those businesses who have a huge consumer brand loyalty (Laycock, 2010). The current price of Kraft Tiger is about the same as its competitors. Consumers based their purchase decision for Kraft Tiger for a variety of reason, again, this relates to the matter of brand loyalty; for casual consumers who have no extra favor for any particular brand, they would most likely base their purchase decision on the price of the product, while for those who are brand loyal, they would base their purchase decision on the product image, features, and quality.

Kraft Tiger's price determination correlates with the business' (Kraft's) costs of production, if there is an increase in the cost of raw materials used for the production of Kraft Tiger, it would generally lead to an adjusted increase in price for Kraft Tiger as well, otherwise known as cost-push inflation (Moffatt,

2010). However, it is worth noting that Kraft is a large corporation who had been in the market for a long time, it is most likely that they are capable of absorbing the inflated price of raw materials and would not make any significant changes in prices.

Kraft Tiger is widely distributed across various supermarkets and minimarkets alike in Singapore; it could be found in various general supermarkets such as NTUC FairPrice, Cold Storage or Carrefour. NTUC FairPrice is Singapore's largest retailer, with a network of more than 230 outlets across the country (NTUC FairPrice, 2011). NTUC FairPrice could be found in almost any area throughout Singapore. Cold Storage is Singapore's second largest retailer, just behind NTUC FairPrice, it operates 36 stores in Singapore located across the country at prominent city centers, suburbs and HDB estates (Cold Storage, 2011).

Carrefour is one of the largest hypermarket chains in the world (Carrefour, 2011), it only has 1 outlet in Singapore but it is considered to be one of the largest supermarkets in the country, it is also located in Plaza Singapura at Orchard Rd, which is in the Central Region where people's population density is the highest. From the three stores mentioned above, while also considering Singapore's relatively small geographical area and ease of transport, consumers could easily gain access to Kraft Tiger and purchase them from any places; as Kraft Tiger is engaged in a monopolistic competition market, it has to ensure its availability to reach out the mass market through an intensive distribution strategy.

Technically speaking, consumers could also purchase Kraft Tiger directly from the manufacturer, which is Kraft itself, however it is very unlikely for them to do so since buying directly from a manufacturer generally requires them to make a wholesale purchase rather than a retail purchase, making a wholesale purchase would also take a long and tedious process. There are some characteristics of Kraft Tiger that influence its distribution; this includes the product's life cycle, and the time the product needs to reach consumers in its distribution channel. Kraft Tiger is a type of non-durable goods, therefore it needs to be sold as many and as quickly as possible before the product reach its decline stage, or in other word, expires.

It is also the reason why Kraft use a wide distribution method, this is because they are selling the product in high quantity, if they only focus on a single market, they would not be able to sell much since the number of products sold exceeds the number of consumers available, it will eventually lead to a loss since the leftover products cannot be reused due to it being non-durable (Komninos, 2002)

Kraft Tiger can be seen through various recent advertisements, such as from newspaper and magazine ads, and the internet. Using this combination of both traditional and non-traditional promotional tools Kraft intended to create brand awareness; they wanted to let the consumers know that Kraft Tiger exists. Kraft Tiger asserts its existence by emphasizing that Kraft Tiger chocolate biscuit is a healthy product which could give consumers extra energy to do their daily activities (Animetric's World, 2009); Kraft wanted to

propose these positive attributes to consumers, so that they may be interested and willing to try the product.

In addition, Kraft Tiger also make use of its brand reputation to help the product in creating awareness. Kraft Tiger is using a combination of slice-of-life, fantasy, personality symbol, and scientific evidence to convey the product's promotional theme (Kotler et al. 2009, 462). The product uses normal, everyday settings in its advertisements; the promotion theme is based on a normal context, common example of Kraft Tiger's slice-of-life advertisements usually includes children doing sports or doing house chores. However, despite the normal settings, there are several fantasy elements featured within it, such as when the children were suddenly able to do unrealistic movements or behaviors after they eat the biscuit.

These fantasy elements, however, are simply a symbolism related to Kraft Tiger's mascot figure, the tiger Tigo; Tigo is the personality symbol of Kraft Tiger, the fantasy elements were used to portray a tiger's prowess, hence the unrealistic movements in the advertisements. Kraft Tiger is also backed up by scientific evidence, which is featured in the ENERMAXX; the product boasts its '9 vitamins 6 minerals' features which could help in releasing and providing extra energy, these are not merely empty words, since there is the nutrition facts to prove it. Kraft Tiger delivered the same message in all of its advertisements through the rational and emotional appeal.

Kraft used the rational appeal to create awareness and product knowledge as a cognitive approach towards consumers, rational appeal is used to outline a product's functions and benefits (Kotler et al. 2009, 440); this is

used to certify the message that Kraft Tiger is a healthy product and features the ENERMAXX. At the same time, Kraft also used emotional appeal to convey the feelings featured in Kraft Tiger's advertisements. Kraft Tiger's advertisements is generally filled with lively scenes featuring children striving in their daily activities, using the emotional appeal, Kraft wanted to deliver these feelings to the audiences (consumers) so that they may be stimulated and attracted to Kraft Tiger.

Market segmentation means the process of dividing and classifying the once large mass market into a separate individual market; the mass market is separated based on the traits and characteristics that they share. Consumers have different preferences, wants, and buying attitudes. They may also have their own preferences of buying channel, such as ordering by phone, online purchase, or simply a physical purchase from a store.