

Canadian blood services

[Business](#), [Industries](#)



Company Environment The company Customers Competitors Regulatory Situation Global Environment Major developments and general industry Trends Opportunities and threats Marketing Strategies Mission and Corporate Values Objectives Strategies Marketing Functions Product Price Promotion Place Analysis and Suggestions M analysis G analysis Conclusion Bibliography Appendix Global Environment Major Developments General Industry Trends According to a survey conducted by the Pet Products Manufacturer Association, more than 71. 1 million or 63% of U. S. ouseholds have a pet. (Gundersen, 2008) The petfoodmarket has proven to be a very attractive market, according to the 2009-2010 American Pet Products Association, it is estimated that US\$47. 7 billion was spent on pets in the US in 2010, with US\$18. 28 billion being spent on pet food alone. The strong spending comes amid price increases in nearly every pet food category, the result of rising costs of fuel, ingredients and transportation for manufacturers. (Taylor, 2010) Opportunities: One of the biggest advantages NPP has is that it is a subsidiary of Nestle.

What this means is that NPP can rely on the substantial and large funds of its parent company in order to expand its line of products, do some more aggressive marketing and pricing and have a cushion to fall back on in case of having sales decrease. The second great opportunity for NPP is the fact that pet owners are seeking for more luxurious products for their pets and they're getting greater interest in what they feed their pets with. What this means is that the pet food market is expanding rapidly, especially in North America. According to a survey conducted by the Pet Products Manufacturer Association showed that in the U.

5. more than half of the households have at least one pet in their household. (Gundersen, 2008) Threats: As in any business, one of the biggest threats is having numerous competitors; this is a big concern to NPP considering that they are not the leading company in the pet food industry. Not only NPP has to compete against the already established big pet care companies but there is a trend that all major pet care retailers are starting their own line of products. Having all these product lines and competitors only mean lower sales as more consumers decide to switch brands.

Although North America is a well-established and growing market for pet care products, there are some other markets where customers are not well educated about the products and this may be an obstacle. An example provided by the Datamonitor report about NPP gives an example of owners believing home meals are more nutritious for their pets than commercially prepared food for pets. This is a common misbelief in emerging markets. Company environment The Company: The company we decided to research is Nestle. Nestle is currently the largest food and beverage company in the world.

This company has a wide range of products such as milk based products, ice creams, prepared dishes and pharmaceutical products as of beverages. Its top brands or the ones that contribute the most to the company are Nestle, Nespresso, Maggi, KitKat, Purina and Friskies among others. Nestle is a Switzerland based company that was started back in 1866, when the first European condensed milk factory was opened in Cham, Switzerland, by the Anglo-Swiss Condensed Milk Company. One year later, Henri Nestle, a

trained pharmacist, launched one of the world's first prepared infant cereals 'Farine lactee' in Vevey, Switzerland.

The two companies merged in 1905 to become the Nestle you know today, with headquarters still based in the Swiss town of Vevey. The company is currently employing over 328 000 employees worldwide and has factories or operations in almost every country in the world. For the purpose of the marketing review, we decided to talk specifically of one of the many brands that Nestle owns, being this "Nestle Purina PetCare Company" or NPP. This subsidiary is one of the most influential brands of Nestle and its main focus and line of products rely on the manufacturing of pet food products.

The headquarters for this branch of Nestle are located in St. Louis, Missouri in the United States of America. Customers: Nestle Purina PetCare Company operates in North America, Asia Pacific, Europe, Central America and South Africa, what this means is that NPP is able to reach several different markets around the world and a great deal of possible consumers. Competitors: Considering Nestle Purina PetCare operates on a global market, it also has several competitors. Some of its strongest competitors are Mars Inc, Colgate-Palmolive Co. and Procter & Gamble Co. Their main competitor is Mars Inc. hich is the only company that has been able to surpass Nestle in pet food sales; having sold approximately US\$13. 3 Billion compared Nestle's US\$12. 9 Billion. Regulatory Situation: The pet food industry is heavily regulated by agencies such as the Food and Drug Administration (FDA), United States Department of Agriculture (USDA) and the Association of American Feed Control Officials (AAFCO) in the case of the United States. However, all Purina's North America facilities have on-site quality assurance laboratories

and staff. One of the means by which Purina try to maintain its quality standards is by having 99% of the products sold in North America manufactured at Purina-owned U. S. manufacturing facilities. Also, Purina ingredient sourcing and processing meets or exceeds all the regulations implemented by the agencies mentioned above.

Distribution/Sales Channels

Nestle Purina Petcare uses a multichannel distribution approach in order to make it easier for consumers to get their product. One example and, for some the most convenient, is purchasing their products through Purina's website. Customers avoid any sort of middleman and they get the product delivered directly to their front door.

This is an example of direct distribution, which is having the manufacturer dealing directly with the consumer. On the other hand, NPP also uses an indirect distribution approach which consists in having one or more intermediaries work with manufacturers to provide goods and services to consumers. This is the most common way by which people purchase products as it is the case when consumers go to retailers to buy a product that the retailer bought from the manufacturer. In other words, when a consumer goes to their local grocery shop and they buy Purina products, they are purchasing through indirect distribution. (Grewal, 2012)

General Strategy Business Mission: Nestle's mission is to satisfy each customer needs by offering and selling high quality food, worrying about nutrition and health of their customers to provide good food for good life. " At Nestle, we believe that research can help us make better food so that people live a better life. Good Food is the primary source of Good Health throughout life. " (Nestle, 2012) " Nestle's objectives are to be recognized as the world leader

in Nutrition, Health and Wellness, trusted by all its stakeholders, and to be the reference for financial performance in its industry. ” (Nestle, 2012)

Corporate value

Nestle is focused on certain values ?? within the company that make them unique in the global market. They are focused on health, wellness and nutrition of each customer through every product but it is also important the security and safety of each product has high quality. Moreover, it is also important to note that in Nestle is always looking to have opencommunicationwith clients and theyrespectthe privacy of them. (Nestle, 2012) In organization is important to respecthuman rightswithin and outside the organization but Nestle is not only worry to respect human rights but also the environment in which employees are in this company.

It also is important to prevent accidents, injuries and illnesses within the company, which Nestle has a document that explains each of the regulations of health and safety policies. (Nestle, 2012) The relationships between the company and suppliers are very important which is why Nestle has a code of suppliers which explain how have to the relationships, always demonstrating honesty and respect between them. (Nestle, 2012) Nestle will help rural communities and farmers to obtain a production system that cares about the environment.

It is also important use products that are friendly to the environment, as well as the conscious use of water that is necessary and vital to everyhuman being. (Nestle, 2012) Objectives (short and long term) * “ Be recognised as the world leader in Nutrition, Health and Wellness, trusted by all its stakeholders, and to be the reference for financial performance in its

industry". (Nestle, 2012) * Provide a safe environment and socialresponsibility. * Understand local and global need. " Achieveleadershipand earn that trust by satisfying the expectations of consumers" (Nestle, 2012) and create close and long relationship between their brand and customer. * " We are investing for the future to ensure the financial and environmental sustainability of our actions and operations: in capacity, in technologies, in capabilities, in people, in brands, in R; D. " (Nestle, 2012) * Make sure that they can satisfy future generation and ensure that they will have " profitable growth year after year". (Nestle, 2012)

Marketing strategies * Competitive advantages:

In order to gain a competitive advantage is important to have product or brands that can differentiate from others, also be in everywhere so that people feel identified with the product. For Nestle, culture, values ?? and attitudes of individuals are important to determining what their needs are; they try to offer unique products in each geographic point where customer are. (Netle, 2012) * Growth drivers: Today people are more conscious about having good food and nutrition, plus a healthy life. Nestle is focused on these areas which make them to have a large market. [Everything] we do is driven by our Nutrition, Health and Wellness agenda, Good Food, Good Life, which seeks to offer consumers products with the best nutritional profile in their categories" (Nestle, 2012) * Operational pillars: Innovation is always important in any business; people are always looking for change and find better products. Nestle is always looking to innovate and renew each of their products in order to engage their customers and stay in the market; offering products that are unique and makes them different than the competition.

It is also important make the process most efficient from the product development to delivery of the consumer (Nestle, 2012) Marketing functions: Product and services Nestle Purina Petcare has a wide line of different pet food products. They have specialized food and treats for both dogs and for cats. Among the products designed for dogs they have a wide variety of products, which classified as of Purnia's website are: Adult Dogs, Puppy Food, Senior Food, Targeted Dog Nutrition, Dog Treat and Dog Litter and Training Pads.

Among all these categories they offer 28 different products that are sold under different labels. On the other hand, their cat oriented products are classified as: Adult Cat Food, Kitten Food, Senior Cat Food, Targeted Cat Nutrition, Cat Treats and Cat Litter. On their cat food line of products, they offer 24 different products and all of these are sold under different labels. Purina offers over 50 different products for both dogs and cats and these are sold under 20 different labels.

This is one of the reasons why Purina has been able to dominate in this market, as it has been able to give an option for almost every single kind of need that customers may have due to their wide variety of products. Pricing Considering the pet food industry is a very competitive market, NPP has been forced to change its pricing strategies to adapt to the market. Currently, NPP uses a competitor based pricing method that an approach that attempts to reflect how the firm wants consumers to interpret its products relative to the competitors' offerings. text book citation) The biggest problem with keeping up with competitive prices is that it prevents companies to increase prices and its revenue is also decreased as they have

to make greater investments in advertising which increase costs and therefore decrease revenue as well. Distribution activities Nestle Purina Petcare uses a multichannel distribution approach in order to make it easier for consumers to get their product. One example and, for some the most convenient, is purchasing their products through Purina's website.

Customers avoid any sort of middleman and they get the product delivered directly to their front door. This is an example of direct distribution, which is having the manufacturer dealing directly with the consumer. On the other hand, NPP also uses an indirect distribution approach which consists in having one or more intermediaries work with manufacturers to provide goods and services to consumers. This is the most common way by which people purchase products as it is the case when consumers go to retailers to buy a product that the retailer bought from the manufacturer.

In other words, when a consumer goes to their local grocery shop and they buy Purina products, they are purchasing through indirect distribution. (Grewal, 2012) Promotion activities Coupons are largely used by NPP and its competitors in order to increase sales. Coupons provide a stated discount to consumers on the final selling price of a specific item; the retailer handles the discounts. (Grewal, 2012) Your Analysis and Suggestions Appendix: Example of the company's promotion Research Material References: <http://www.petfoodindustry.com/6371.html> Taylor 2010 <http://www.nestlepurina.com/History.aspx> PURINA HISTORY <http://www.purina.com/coupons-and-offers/couponsandoffers.aspx> COUPONS AND ETC <http://www.purina.com/commitment-to-quality/commitmenttoquality.aspx> REGULATIONS <http://www.linkedin.com/company/nestle-purina> LINKEDIN

PROFILE Gundersen, R. (2008). A Growing Trend: Pet Owners Who Include Animals in Their Estate Planning. *Journal Of Financial Service Professionals*, 62(4), 70-76. <http://saveonfoods.gsnrecipes.com/Shop/WeeklyAd.aspx>
promotion Nestle. (2012). Nestle good food, good life. Retrieved from <http://www.nestle.com/AboutUs>