

Breaking into the us ketchup market

Business, Marketing



Heinz is a leading ketchup making company, which is renowned world-wide. It was established in 1876, and since that time it has grown in size and stature until today, when it dominates the world ketchup market. The wide range of products it offers has made it gain the confidence and acknowledgement of its consumers. As a market leader, they are always looking for new ideas and products to increase their market share, and their latest product is an ingenious combination of ketchup and chilli, to add that slightly spicy taste that people in our target market generally miss in their meals.

Hence, you have Sweet-Chilli Ketchup, to be manufactured in Ireland and exported to USA. In this report, we will start off with a brief introduction to our company, our product and our country of export, followed by a note on the ketchup market in general. Next we will talk about our marketing objectives and the market research conducted by us. We will then do a detailed target market analysis. We will then delve into an in-depth market analysis, which will include Political, Economic, Social, Cultural and Competitor Analysis. After that, we will move on to an internal analysis of the product.

We will apply the SWOT Analysis Model to this end. This will be followed by an explanation of our Marketing mix, which will include a discussion on the 5 Ps, namely Product, Pricing, Positioning, Placing and Promotion. After this we will summarise our extensive budget (which can be found in its comprehensive form in Appendix 1) and talk about our anticipated expenses and profits. We will conclude with a brief note of what we have achieved in the report and what we can expect based on the information gathered in the

report. Introduction The product that we propose to market is Tomato Ketchup.

But not just any old tomato ketchup, a sweet chilli ketchup. We are preparing this marketing plan for H. J. Heinz Company, a leader in the ketchup industry, as we feel that it is a product that will be a smashing success in our proposed country of export - The United States of America (USA). We will now proceed into a more detailed analysis of our product and our marketing plan. The Company (Heinz) Henry J Heinz started manufacturing ketchup in 1876, using a recipe that remains unaltered to this day. Heinz was neither the inventor of ketchup nor the first to bottle it commercially.

Today, Heinz is a global leader in with a wide range of world-class brands holding number-one and number-two market positions in more than 50 countries. The Heinz brand is a "\$3 billion global icon and Heinz's top-15 power brands account for 64% of annual sales" Heinz brands are well known throughout the world, and Heinz ketchup is very famous in USA. Heinz brands symbolize quality, convenience and great taste. Throughout the world, the name Heinz is synonymous with ketchup. From USA to Europe, from Australia to Asia, whenever you think ketchup, you think Heinz.

Heinz has " annual sales of \$3. 3 billion worldwide in over 140 counties.

Heinz produces more than 1. 4 billion bottles of ketchup and 11 billion packets of ketchup and dressings a year". (Heinz, 2004 [online]). The

Ketchup Market It is a common misconception that ketchup was first made in America, and that it has always been made out of tomatoes. This is not so.

Let us take a very brief trip down the ketchup memory lane, and see how

<https://assignbuster.com/breaking-into-the-us-ketchup-market/>

America's favorite food came to be. Ketchup was originally a sauce made out of anchovies, mushrooms, walnuts and kidney beans.

It is speculated that ketchup was derived from koechiap or ke-tsiap which is from the Amoy dialect of China. It means the brine of pickled fish or shellfish. When this was introduced in England the name was printed as catchup and then finally as ketchup. This name stuck, and is now a common household term throughout the world. (Planet Ketchup, 2000 [Online]) Most ketchups are made from tomato paste or tomato concentrate, boiled down in late summer (during tomato harvesting season), and used year-round to prepare the ketchup.

Here are some interesting and little known facts about ketchup that might be used as angles in marketing our product: 97% of American homes keep ketchup in their kitchen, on an average, each person in USA consumes about 3 bottles of ketchup a year, a tablespoon of ketchup has 16 calories and no fat, 4 tablespoons of ketchup have the nutritional value of an entire ripe, medium tomato. (Kerrigan, L. 1999 [Online]) The ketchup market has grown in leaps and bounds since first being introduced in America.

In 1992, ketchup sales in USA were \$723 million. (Kerrigan, L. 1999 [Online]) and by 1993, ketchup was available in 97% of homes in USA, being topped only by sugar, salt and pepper. (Planet Ketchup, 2000 [Online]) Marketing Objectives Heinz's objectives as pertains to this product are multi-dimensional, so we will examine them in parts, as follows: Product: Quality: We will built quality control system, make sure our product has high quality

as we must meet the quality standard of the FDA (Food & Drug Administration) in US.

Design: Our ketchup's bottle will be designed like a chilli. It is attractive to look at, and will draw the consumers' attention. The fact that the Heinz logo will be printed on it will do the rest. Packaging: The packaging will be safe and hygienic, meeting US import standards and preserving the product in perfect condition. This is a necessary measure as our product is an edible product and will be exported overseas. Services: Our product will offer all the excellent services that are associated with the Heinz name.

These include online sales, recipe suggestions, etc. We will also conduct some research for customers and get feedback to improving our sales as well as our after sales services. List price: We are aiming for a high return on investment in the shortest possible period of time (refer to appendix 1). Initially, our prices will be comparatively low as compared to our competitors, which should help us gain market share. After we developed our target market, we may re-evaluate our pricing strategy a little depending on our revenues and profits.

But for the time-being, we are going with a Cost-Leader strategy and try to get returns on investment in reasonable future. Promotion: We will try to stimulate market sales: we'll do some advertising on TV, Newspapers and Magazines to generate demand. We will also have and/or sponsor events to create product awareness and demand. Place: The product will be placed where customers expect to find it. This is plausible because Heinz already

has excellent distribution channels set up, and all we have to do is utilize them. We are aiming to provide consumers with easy access to our product.