

Marketing for cereal product assignment

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



AUSTRALIAN FAVOURITE CEREAL TABLE OF CONTENTS

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1. AUSTRALIAN FAVOURITE CEREAL PTY. LTD. Australian Favourite Cereal has been producing, manufacturing and distributing their products since January 1980. Australian Favourite Cereal Pty Ltd introduced to Australia by Mrs.

Arzu Eroglu, who migrated to the country with her family in 1973 from Turkey. She has started buying a special harvesting farm machine which arrived in Australia the same year in order to set up. Australian Favourite breakfast cereal became very popular, when demands increased with the breakfast cereal products and successfully captured the Australian market as the Australian society acknowledged the importance in the health of natural nitrous fibre diets in daily life, at which time a new plant was established in Brisbane and Queensland which commenced in May 1981.

The purpose of this assignment; analyse impact sales of changing existing aspects of the Macro Environment as listed below;

- Demographic
- Economic
- Natural
- Technological
- Political
- Cultural

2. MACRO ENVIRONMENT

2. 1 DEMOGRAPHIC ENVIRONMENT: Australia is one of the world's sixth largest countries but smallest continent. Australia has 6 states and two territories and 700 local government authorities. Despite the wide spaces Australians are mostly big Cities. More than 80% lives in big coastal

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cities, although all states and territories experienced positive population growth in 2010. 46% and 54% respectively.

The estimated population of Australia is currently 22, 407. 700 and is expected to be increase by 1. 6% per year. Australian states are;

- NSW is Australia's oldest and most popular state. Sydney is the nation's largest city. It is globally famous and known with Australian Icons such as Opera House and City Harbour Bridge.
- Canberra is nation Capital city, including Australian Parliament House, the National library and War Memorial.
- Victoria is the smallest mainland states of the nation, but second most popular and most highly populated. Melbourne is the capital city of Victoria, also the nation's second largest city. Queensland is the second largest state in land mass. Most of the state is surrounds by tropical forest in far north of Queensland. The Capital city of Queensland is Brisbane.
- South Australia is known as " Festival State", and takes about 500 festivals each year. It is popular with wineries; also it has been home for Food and Wine Gourmet.
- Western Australia is the largest state in area. The east of the state is mostly desert but the west of the state is bound by 12 889 km of the worlds natural and historic coastlines. Perth is the Capital City.
- One birth every 1 minutes and 45 seconds
- One birth death every 3 minutes and 43 seconds
- A net gain of one International migration every 3 minutes and 11 second
- Leading to an overall total population increase of one person every 1 minute and 37 seconds.

" Australia's estimated resident population (ERP) at 30 June 2007 of 21. 0 million people is projected to increase to between 30. 9 and 42. 5 million people by 2056, and to between 33. 7 and 62. 2 million people by 2101. Series a projects the highest growth, while Series C projects the lowest

growth. " Australian Bureau of statistics: 3222. 0 – Population Projections, Australia, 2006 to 2101PROJECTED POPULATION, Australia [pic]

This means that Australia is a relatively small market, with less than half percent of the world population. Like many other developed countries, while total population is continuing to grow. Australian's are becoming older, on average, because Australian women are having fewer babies. Also one of the factors are Australia's population ageing structure shows evidence that sustained low levels of fertility combined by with increasing life expectancy at birth. The middle age of the population is currently 36. 8 years. It is expected to increase on average between 38. 7 years to 40 years in 2026 and 41. 9 years to 45. years in 2056. The changing age structure of the population will result in different growth rates for various age groups over next decades and these differences will strongly affect marketers targeting strategies. Here the age groups listed below; • Children • Youth • Young Adults • Early Middle Age • Late Middle Age • Retirees There are 2 important factors in population growth; 1. Natural increase 2. Overseas Migration increase " TREASURY briefings to Population Minister Tony Burke advocate a high migration rate being used to offset the impact of Australia's ageing population and help maintain economic growth. SOURCE: THE AUSTRALIAN [pic] Australia is home for many overseas migrated families for decades from around the world. Australia's significant level of the growth in the country's population is accounted for by overseas migration. This model divides Australian migration population in to 2 categories; • Permanent residents • Long term Visitors (visitors staying 6-12months only) Australia has many

types of migrated people from China, Singapore, and Middle East. UK, Turkey and many more.

These migrated populations have been established to different states and territories different proportions over the years, also effected positively population growth in 2010 Australian speaks around 200 different languages and a dialect, including 45 indigenous languages; seventy nine percent of the population speaks only English at home while small proposition of the population speaks other languages at home. MARKET ANALYSIS: There are two types of important factors in marketing opportunities especially around Food industries, these are. 1. Natural increase and 2.

Net overseas Migration, in this cases the breakfast cereals in affect to population increase. First modern and commercial Breakfast Cereal first introduced to Australia in 1894 by American Seventh Day Adventist who works for Western Health Reform Institute by Will Keith Kellogg who was founder of the W. K. Kellogg Foundation in 1906, in 1894 W. Kellogg was trying to improve the diets of the hospital patients, who accidentally left a pot of boiled wheat became tempered softer while he was trying to improve the patients diets for digestive system. In the 1960's, common cereals are; Wheat, rice, oats, barley, corn (maze) and sorghum.

The industry has gross profit margins of 40-45%, 90% penetration in some markets, and steady continued growth throughout its history. The logic behind is using the population age as segmentation variable is the fact consumer needs and demands changes as population grows older and marketers needs to create new designs for the product packages

(environment friendly, recyclable) product quality, also suitable for health standards such as low an sugar, no chemical colors, more nutritious and of course analyzing these needs and demands to promote the product to be successful.

Target market would be concentrating on population and dividing them in groups such as: age, gender, income, occupation, education, religion, race, nationality, family size. One of the important of the marketing factor is a Population Age; it is demographic variable for “ Nutri Mix” as the product will target a certain areas that are more likely to be required a healthy food product, especially in young generation offer to more variety products such as bars with toys /games and another target market is migrated families to change their cultural habit of breakfast. . 2 ECONOMICAL ENVIRONMENT

Australia’s economic status one of the stable and strongest levels in the world, Australia has had of the most outstanding economies in recent years. As high-growth, low – inflation, low- interest rate economy it is more vibrant than ever before, there is efficient government sector, a flexible work environment and a very competitive business sector. Australia is balanced, democratic society and with skilled population for 20 million, it is the only nation to govern entire continent.

Australia’s high rain fall coastal regions, arid and semi arid climates, most of the areas used for food production such as sheep and cattle, grains and raw materials, which puts Australia in largest export categories. Especially in food sector giving Australia opportunities to expand in Global marketing, in this case Breakfast cereal products one of the demands in Asian markets. | |

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2. 3 NATURAL ENVIRONMENT: The Natural Environment involves natural resources which are needed as inputs by marketers or which are affected by marketing activities. (Kotler, Marketing 7th edition chapter 5) Trends: • Shortages of Raw Materials • Increase Pollution • Increase cost of Energy

One of important factors for global marketers are source of raw materials and fluctuation in supply can affect the prices paid for purchases or increasingly cost of some raw materials has meant that recycling some materials such as aluminium, plastic materials and paper supplies, but as the population growth around the world also environmental concerns growth along with it. Specially, there is more public pressure and concern over two decades as where raw materials are source from and it is effect on the natural environment such as paper manufacturers, have had to pay attention to sourcing pulp from renewable forest, where trees are replanted for make up for those which have been used. Also producing environment friendly product that encouraging and providing more information the consumer to recycle more.

The natural environment variables affecting a company such as natural disasters (flood, earthquake, and drought). Example; the suppliers are very closely linked to the company in which marketing team studies closely. These practices such as, supply shortages, delays, or supply availability can affect the company's customer value and satisfaction... Alternatively a stated before the consumer demand for shortage of food such as breakfast cereal relatively inelastic and it is expected that consumption it is not

decrease much of at all. Example: Uncle Toby's has been importing Oats from Canada (due to flooding in Queensland in 2010-2011), around 20-30 container of each of it twenty tones in 2011. 2. TECHNOLOGICAL

ENVIRONMENT: The technological environment is most dramatic force now shaping our destiny. Technology improved so much over the years it became big part of our society, such as organ transplant, advance medical equipment, bio technology, blue prints, computerized industrial machines, technical machines for packaging, producing and handling and other capital goods. Changes in the technological environment have had some of the greatest effects on business. A company maybe thoroughly committed to a particular type of technology and may have made major investments in equipment and training only see a new more innovative and cost effective technology emerge.

As the technology improves gives an opportunity for new markets and new business, also expands an economic scales, keeping businesses updated and fresh on the market, in this case breakfast cereal manufacturers , can be easily configured to meet almost any producing and distributing requirements with advance equipment and machinery. Example: remote sensing technology allows food technicians to monitor every stage of the manufacturing process resulting in consistent and predictable healthy satisfying results for a product to meet consumer's demand/needs. 2. 5

POLITICAL ENVIRONMENT: Marketing decisions are strongly affected by developments in the political environment. The political environment consists of laws, government agencies and pressure groups that influences and limit various organization and individual in a given society.

In this case political – legal dimension of the general environment also affects business activity. The logic of the political parties in power affects on the business practices. The political – legal environment serves to define what organizations can and cannot do at a particular point in time. 2. 6

CULTURAL ENVIRONMENT: The breakfast frequently resembles in many ways Western countries, but may include ethnic influences. In warmer areas breakfast is generally light. Australia in colder seasons and regions porridge or a full English breakfast may be consumed. The light breakfast commonly consists of breakfast cereal, healthy breakfast snacks, toast, and fruit.

Beverages taken at breakfast include tea, coffee, flavoured milk, or juice. A popular breakfast food in Australia is Vegemite, a spread similar to Marmite and healthy cereals and breakfast bars. As the Australian breakfast cereals and healthy eating habits are merging to new generation more each day including new generation migrant families and previous migrant families cultural habits are changing in to eating cereal rapidly expanding. Eventually it is to be expected this will increasingly grows in near future. As shown below graphic; [pic] **CONCLUSION:** Marketing decision related to the product and its service quality involve a creating the right product for the selected target markets.

This basically with researching /analyzing as the use of tool such as focus groups to determine how well the product to meet consumer is needs and wants of the target market. Marketing mix can be divided in to four groups; price, product, place and promotion, this case marketing sector can use as tool to set a marketing strategy for product or products groups, these four

decision tools represent all of the possibility that a company can control, example; competition, economic and technological changes, the legal environment and political and cultural and social facts/changes. Most of times decision about products, place, promotion, and price will be dictated by the competitive groups that a firm affects in target market.

Companies that will approach different strategies to achieve market success by offering a unique product or service, or changing techniques of approaching to target market such as advertising and campaigns. Often companies trusts of company brand loyalty and service offerings or distribution channels to insulate them from competitors. Marketing analysis focusing all of the marketing possibilities for better value, quality, service and competitive strategies and focusing extreme efficiency and adopting low cost control plans. REFERENCES: ABOUT. COM [http://www. about-australia. com/facts/demographics/](http://www.about-australia.com/facts/demographics/) AUSTRALIAN NATURAL RESOURCES [http://www. anra. ov. au/topics/irrigation/production/index. html](http://www.anra.ov.au/topics/irrigation/production/index.html) AUSTRALIAN DEPARTMENT OF FOREIGN AFFAIRS AND TRADE [http://www. dfat. gov. au/facts/people. html](http://www.dfat.gov.au/facts/people.html),/ [http://www. dfat. gov. au/facts/global_economy. html](http://www.dfat.gov.au/facts/global_economy.html) AUSTRALIAN BUREAU OF STATISTICS , [http://www. abs. gov. au/AUSSTATS/\[email protected\]nsf/Lookup/3101. 0Main+Features1Sep 2010? OpenDocument](http://www.abs.gov.au/AUSSTATS/nsf/Lookup/3101.0Main+Features1Sep2010?OpenDocument) AUSTRALIAN BUREAU OF STATISTICS [http://www. abs. gov. au/ausstats/\[email protected\]nsf/mf/3101. 0](http://www.abs.gov.au/ausstats/nsf/mf/3101.0) AUSTRALIAN BUREAU OF STATISTICS [http://www. abs. gov. au/websitedbs/D3310114. nsf/Home/Site+Map? OpenDocument](http://www.abs.gov.au/websitedbs/D3310114.nsf/Home/Site+Map?OpenDocument) Marketing 7th Edition “ Kotler, Brown, Adam, Burton, Armstrong /Chapter 5 page 174 -175 THE AUSTRALIAN ; [http://www. theaustralian. om. au/news/nation/treasury-push-for-big- https://assignbuster.com/marketing-for-cereal-product-assignment/](http://www.theaustralian.com.au/news/nation/treasury-push-for-big-https://assignbuster.com/marketing-for-cereal-product-assignment/)

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