

Concentrates on
bread making
marketing essay



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Sunshine is Singapore listed company, which is mainly, concentrates on bread making and rank its top manufacturing and marketing of value-added and nourishing fresh baking goods. Sunshine started its footprints in Singapore in the year 1930 and its smear as Singapore's first business-related bakery. They put up its promoted management through modernism and receptiveness to customer needs. Using contemporary knowledge and gear, the freshness and finest constituent. It turns out more than 100, 000 loafed of freshness and good taste.

1. 2 MODELS OF BUSINESS AND JUSTIFICATION FOR BUSINESS:

They can make achievement as an entirely owned corporation, since they have reliable consumers since for high excellence, tasty bread or buns with a supplement of vitamins and fruits. Sunshine is a Singapore listed company which is mainly focusing on bread making and its supply. Its main competitors in Singapore are: Bread talk, Gardenia, Bonjoar. It previously has established the excellence and taking of flavor in diverse cultures. Sunshine already had their footprints in Malaysia. They have different varieties of bread Enriched Soft White, Enriched Soft meal, Multi-Grain, and Soft Grain Whole-meal loaves. They also produce a collection of partially baked frozen food products, through its preserved foodstuff for consumers and commercial use. Sunshine achieved its brand name in terms of excellence, quality, shelf space, promoting consumers coverage and share. (sunshine , 2012)

1. 3 SETTING UP BUSINESS IN INDONESIA:

The facility of a local Indonesian or the active Indonesian promoter is a significant thing for insistent to increasing sales all throughout the country, because of familiarity with cultural relationship and universal method for outsider (foreigner) often require years to comprehend. In Indonesia, doing business is very important and as something special, so it is required to give value to interact to make a powerful connection with the major consumers. Doing big business in Indonesia have to examine the rules that improve business action and those that limit it. The rules and regulations were upsetting 3 stages of the existence of dealing are calculated at the following criteria's: starting a business, dealing with construction permits, and registering property, So direct communication with the customers will be measured as an efficient way of performing in business in Indonesia.

EVALUATION OF IMPORTANT PROBLEMS IN THE ORGANISATION:

EVALUATING FOUR COUNTRIES:

Sunshine already has their footprints in the Malaysia and improving their excellence in service and quality, so they have to explore the business in Indonesia.

2. 2 REASONS FOR SELECTING INDONESIA:

I decided to enlarge Sunshine to Indonesia, since it is one of the major marketplaces in SEA (South East Asia) and it is recommended to enlarging a broad range for additional expansion. Indonesia's democratic scheme is still easy to move on , but it has carried on its begin existence and has effect in improved overall supporting steadiness, as well as improves checks and

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sense of balance, a course that improve the probability of flat supporting changeover and enhanced , it has additional vigorous hold up from the universal population. It is pretty easier to deal with business trading authorize and supplementary for foreign investors in Bandung. The reason are for chose that place , it is one of the highly suitable for doing business and densely populated in Indonesia, which offers the broad marketplace for supply of bread.

In addition, Philippines launching Sunshine is very easy, but the company needs to spend so much for giving bribes to the governments and had less success in export while compare other countries. Launching sunshine is very difficult in Thailand because of its bureaucracy, it is very difficult getting cooperation between different government departments and skilled labourers are very less. (Doing business, 2012)

2. 3BUSINESS MAJOR PROBLEMS AND ENVIRONMENTAL SITUATION IN INDONESIA

2. 3. 1 SWOT ANALYSIS

STRENGTH:

The economic strands increases from 5% to 8% in the middle term mostly to extraordinary and sustainable local customer's needs, so sunshine can easily attract the local customers because of the quality and taste.

A smooth political transition adds an advantage for Sunshine to explore their market coverage.

Indonesian's are well educated and skilled for job increasing profits offer a big promote for good class of food. Consequently, as a foodstuff manufacturer and dealer can assist them to create enhanced operations.

Running cost is very less while comparing out these countries like Thailand, Philippines and Malaysia.

WEAKNESS:

Logistical limitation makes it complicate for moving the Sunshine baked goods into and out of the nation in addition to internally.

Bribery, extreme officialdom make Indonesia a very hard to do dealing with sunshine and adds significantly to effective cost and have to very careful in distributing the products.

Local education is not good; this will affect the availability of the labors, which leads to unemployment.

Foreign exchanges values is very less while comparing to Thailand, Philippines where they cannot workout for exporting the foodstuffs to all these countries because of deflation.

Indonesia is at high risk in natural disasters like volcano, earthquake, tsunami and several disasters had affected the country so much.

OPPORTUNITY:

Huge population as an advantage for Sunshine to attract more customers and plays a vital role in resources for people.

Sunshine having so many opportunities for doing business in Indonesia like natural resources, consumer goods industries, and banks for the customer needs.

One of the fast developing countries in Asian continent and the sunshine will promote their business for attracting the local customers for giving partially cooked food, baking foodstuffs and quick meal.

THREATS:

Business bribery and fraud are higher comparing to Thailand, Philippines and Malaysia, so the Sunshine have to focus to retrains for flowing out of money.

Labor unification can be difficult in their burden, and the lawful arrangement does not propose the work more safety.

Safety bullying, counting both violence and crime against the people and material goods are moderately higher.

2. 3. 2 CULTURAL ENVIRONMENT:

Indonesian food varies by area and it depends on Indians, Chinese, Central Eastern and Europeans. They consumed rice as a most with served as side dishes of vegetables meat and fruits. The main ingredients are chicken, fish, spicy chillies and with coconut milk powder. Most the Indonesian people are deserved to preserve their traditions and the strongly rooted into it.

Sunshine breads will get remarks in Indonesia because of the flavoured creams buns and whole meat breads. Nowadays patriotism is a justification used by positive particular attention groups to defend their position in the financial system, mainly against overseas competitors. Still in industry where

foreign venture is hail, there is a fundamental need to move rights finally to local welfare and divergence often comes out both with admiration to the value of resources are transferred. However sunshine withstands its name because of not having races problems, they having mingled cultures like Chinese, Indians, Europeans, etc. (istp, 2010)

2. 2. 3 REGULATORY FRAMEWORK:

Information and communication technology is an important national integrity, so it should be considered in the public domain, the state-owned enterprises by the state-managed enterprises (owners)

Monopoly in rural and remote areas is a privilege to join with the state-owned enterprises responsible for ICT is an attractive industry development in Indonesia is a big market, but the monopoly is difficult for new entry,

Monopoly privileges of the rural and remote areas of the national integrity convexity idea failed.

Globalization and open markets in the countries of the region in the News: inefficient monopoly and opening up the facts, forcing factors.

Monopoly duopoly market liberal public " private" domain name in the field of information and communication technologies tilt.

(itu, 2012)

2. 2. 3 FINANCIAL SYSTEMS:

Doing business in Indonesia is easy, because the financial system offers wide range of benefits for foreign investments. Financial security systems offer the essential structure for deposit insurance and emergency funds for
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foreign investment. It also forms the basis for the crisis policy . FSSN directed more to prevent the crisis, but contains a solution to the crisis mechanisms for crisis prevention enormous costs on the economy. The purpose of the FISA, so to ensure the financial stability of the system, so that the financial sector's normal operation and contribute to sustainable economic development. The Financial System Safety Net Act of financial rules and regulations set by the competent organisation. FSIS offer a solid foundation for the constancy of all components will be defined as: (1) efficient banking regulation and supervision, (2) the lender of last resort (3) deposits sufficient protection, and (4) an effective method to resolve the crisis. ((bi-go, 2012)

2. 2. 5 INFRASTRUCTURE:

Several ports and airports near Indonesia, Jakarta and Batam in accordance with international standards, the point is not bad, but if the difference in the effectiveness of the conductor. As many other parts of the island port and the airport is very poor physical fitness. Success projects of Jakarta mass transit railway investment and large signpost, in the field of new energy in the near future very notable things.

implementation method

ENTRY FORM AND STRUCTURE

Entry mode: WHOLLY OWNED:

Favours of starting a wholly owned subsidiary in Indonesia, Sunshine bakeries have to be a PT PMA " for equities at least because be familiar with the exact for personal ownership and organization by both overseas and

local entities, but PT PMA meets certain criteria's for approval of doing business in Indonesia like after the approval from BKPM, PKM have to perform and procedure the data's related for the organisation with the department of human rights and laws, rather than several approvals like company's registration, raw materials for trading, importing licences, work and stay permits and several process for performing the business. Through the improvement in the administration have unconfined several new procedure focal points on new venture environment, tax coordination in exporting and importing, anti-bribery especially in customs check point, confidential and several assets.

Starting a business: Getting a local limited liability company up and running

The recent trends clearly gives an idea for setting up a sunshine company in Indonesia will stretch the market coverage, brand name that will enhance to shine in the market place. The company will gain more income where the operating cost and expenses is very less while compared to Thailand, Malaysia and Philippines.

STRUCTURE OF ORGANISATION:

Sunshine flourishes their products in marketplace needs have to good quality, sustain its taste and excellence in distributing service, it desires to have a good system in centralised organizational structure and choice of making decisions. It is necessary to comprise the improved harmonization, this will benefit the company by cutting costs and able control the cash flow, by cutting the costs will not affect the quality of breads and foodstuffs.

DECISION PROCESS OF ENTRY OPTIONS:

Indonesia's market as a response for the removal of barriers to international trade, this will increase in the number of small and medium enterprise in this country. Sunshine will attract more customers by implementing the healthier whole grains bread rolls and creams flavoured bun rolls. Internationalization of enterprises is one of the most important decisions in terms of the selection of the input mode to this company. It is important and the selection of the appropriate input mode to Indonesian's markets, solid performance and survival in a wide range of results. Because business decisions will affect the sunshine future operations and costs, so the company needs to have centralised for changing their decision depends upon the internal market situation. Sunshine bakeries should develop the strong presence in the community needs to support the sales goal. It will distribute their channels by expanding their growth to 16% and attract the customers for giving promotional price without affecting the quality of the product. Sunshine has to think of investor money and risk by compensating the food hygiene and safety.

(Uniurb, 2012)

RISK ENTERING INTO NEW MARKET:

Before starting a business in Indonesia, sunshine company have take look on several things like business bribery and fraud are higher comparing to Thailand, Philippines and Malaysia, so the Sunshine have to focus to retrains for flowing out of money. Labor unification can be difficult in their burden, and the lawful arrangement does not propose the work more safety. Safety bullying, counting both violence and crime against the people and material

goods are moderately higher. Indonesia is at high risk in natural disasters like volcano, earthquake, tsunami and several disasters had affected the country so much, its need to revise the place where the company is going to located. (herald bathlet, 2012)

BUSINESS STRATEGY:

The strategy focuses on a rich local market with quality products. It decided to become a part of the community is a large part of the community. To achieve these objectives, it will provide all the commodities of baked quality at a reasonable price with attractive cupcakes and cakes. Sunshine is suitable for the market place because of the product mainly concentrated on middle class people.

TAXES :

Indonesian immigration utilizes a tax plan based on the corresponding product report and bar codes for differentiating the products. It is a member of ASEAN, sunshine can do export and import upon certain standard tariffs, but the government protect the foreign competitors against the local people without affecting the income for the government. Indonesian tax system operates on a " self-assessment" basis; the taxpayer must file their tax returns and calculate the amount of tax payable. This combined with a wide range of imposed " tax" on many day-to-day taxes include Taxation of employees and payments to individuals. There Indonesian tax rates are set. Withholding tax deducted from the authorized persons in Indonesia. This includes the service fee ", but not for income withheld depends on the category of service, and then the profit than the industry or in the case of rent, a certain percentage (15 percent) basis (austrade, 2012)

HUMAN RESOURCES PLAN:

The main purpose of selecting Indonesia for its strong human resources and can able to hiring skilled labors. Sunshine needs to hire qualified labor for reaching their products to the customers. The labor should interact the customer by face-to-face for improving their brand name and market coverage also. Current and future human resources will identify the needs for human resources planning. This successful organization committed to the right people to create favourable conditions and capacity building to protect and ensure the future of public services. Succession planning and management is an important part of the broader human resource planning process. They can fulfil the current and future business objectives, identifying and developing a skilled, qualified staff and maintaining an integrated, by means of systematic approach. Although it is generally in tourist areas, Indonesian people as a whole are often not fluent in English. Apart from those working in the field of international business or travel. Indonesian daily life on a regular basis, but in practice it is usually necessary. (tbs, 2012)

TECHNOLOGY PLANS:

Having to deal with the government on the sovereign and scope sub national in Indonesia often great difficulties, such as the overlapping region, delays, fees and the possibilities for corruption are all serious obstacles. The sub-sovereign and often too little effective and very paying attention to grab. Sunshine will enhance their network coverage for setting up a good communication technology plan for reducing their time, money and gathering information at an instant. The company must need to have

development in the wireless telephony sector for started to selling or buying goods within the network place and sharing the information by means of installing network towers for getting good coverage enhance almost all the places. (pwc, 2012)

COST BENEFIT ANALYSIS:

Start up cost:

Number

Particulars

Cost (Rp M)

1

Property Deposit

29, 400

2

Licence

1600

3

Training

45, 000

4

Installation of IT

19, 000

5

Machinery

700, 000

6

Renovation

10, 000

7

Insurance

Other cost

1900

110000

Total

916, 900

Sunshine investing so much money for flourishes the business for getting a strong brand name. The above table represents so much of expenses list are as follows property land, licence, training, installation of IT, Machinery, renovation, insurance and other expenses. The above table shows that the revenue project of the sunshine bakeries. Initially the company spends so <https://assignbuster.com/concentrates-on-bread-making-marketing-essay/>

much money for performing the business in Indonesia. In the first month they will not get any revenues initially, over the next month, it recovers the invested money slowly. The fixed cost includes paying rent, salary, utilities and administration. The variable cost includes raw materials, advertisement, marketing and distribution and other expenses, these expenses may vary from month to month. The company can calculate the net revenue by subtracting running costs from revenue. In July 2013, the company will attain the capital cost and getting profit from next month onwards.

MARKETING PLAN

It also produces four different varieties of rolls and buns and nine flavours of cream rolls. Sunshine has won many prestigious awards as testament to its quality. Sunshine have a several varieties of breads, roll buns, cream rolls, spread, frozen convenient foods and baking products. There are six series of products:

Sunshine Breads have nine different flavours.

White breads

Grains selection of breads: walnut bread, soft meal bread, multi grain and soft grain whole meal breads

Flavoured breads: Enriched milk toast, Enriched pandan bread, fruit & grain bread and corn & bran bread.

Rolls & buns have seven types of bread rolls

Little buns: Custard, Red bean and Chocolate flavour.

Flavoured buns: butter rolls, California raisin rolls.

Cream rolls: It having nine cream rolls buns.

Whole meal cream rolls: raspberry, cocoa hazel nut, vanilla and blueberry cream rolls.

Variety Buns have hamburger buns, hot dog buns, butter rolls, raisin buns and meal buns.

Cream Filled Buns have chocolate, corn, vanilla custard, and strawberry, chocolate, mango, passion fruit cream roll, twist buns and lattice buns.

Spread have 2 different tastes

Hainanese kaya and Nonya kaya

Frozen convenience food: having 12 varieties of food.

Pizzas: cheese, Hawaiian, Pepperoni, Tuna Mushroom, Turkey Ham or Seafood pizzas.

Garlic breads: regular, onion and soft meal garlic breads.

Pre-baked pies: chicken pie, curry chicken pie and black pepper pie.

Baking products: having two types of baking items are self-raising flour and plain flour. The self-raising flour has added as a leaving agent for cooking and baking.

Commercial Food facility is a new advertising approach where products chosen from the website in the internet.

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Sunshine will stand as a leading bread manufacturer in Singapore, when the company setting up their branches in Indonesia needs to concentrate in quality and service. Sunshine having different kinds of breads and foodstuffs which suitable for all ages. They also produce bread according to the requirements of customers.

1) PLACE:

Sunshine faces a strong competition from local brands like Gardenia and bread talk. Last year, the sunshine has a faced loss of \$ 700, 000SGD, so it needs to increase the market share and profitability for attracting new customers. Sunshine decides to setup the business in high market coverage places like Indonesia and Malaysia. Selecting the place for market distribution channel is easy, but maintains its logistics supply chain is more difficult because of transportation and geographical situation in several places. Sunshine needs to select several places for attracting customers to get a strong brand name. These are several shopping complexes in Bandung like Bandung Electronic Centre, Bandung Indah Plaza, Bandung Supermall, Braga City Walk, Cihampelas Walk, Istana Plaza, and Paris van Java.

2) PROMOTION:

Sunshine offers a promotional price for brown-bread customers all around the island wide. Breads like Soft white, Soft meal, Soft grain wholemeal and Multi- Grain breads. These breads enriched with vitamins like b1, b2 and vitamin b3 and having high Iron & Calcium. This promotion valid until 31 October, this will available on shops like fair price xtra, fair price xpress, Shen Siong, Golden bamboo, cheers,.. etc. they offer soft enriched breads for

S\$ 1. 80 instead of S\$2. 30. They also allow the students for industrial visit to see how the manufacturing process is going on, which is portion of offers.

3) NETWORK STRATEGY:

Before going to start a business in Indonesia, the company should not forget the mission and objectives; it needs to be clear in making decision without affecting the future profits and market distribution channels . Financial data of the companies will need to incorporate for making profits in the bakery items. Sunshine choose a right place for marketing the bakery items and have to keep in mind for spend how much money invested for getting greater profits

4) PROMOTION IN INDONESIA:

The sunshine soft meal bread costs around S\$ 2. 40, while cream Roll buns are around S\$ 80 cents and hamburger buns costs around \$S1. 80. The pricing approach of Sunshine is a little cheap compared with other breads. In Indonesia sunshine food commodities has to be level-headed and less price while comparing with other countries like Thailand, Hong Kong and Malaysia. Because of very less price in Indonesia, sunshine give better promotional offers for giving “ cream rolls buns” free for buying whole meal breads.

5) ADVERTISEMENT STRATEGY:

The product information is very visual to attract the customers for getting the product name tag, it will offer with an illustration of what kind of bread, bun rolls and how sunshine bakery's goods required for marketing. Sunshine have to take more concentration in advertisement for promote the customer through TV channels, radios, because they can interact with customer's face

-face and it takes so much time for reaching the products to the customers. To attain the company's objectives, they need take a research on quality of the product and service to the customers for improving the business process. For a product to occupy a clear, distinctive and desirable place relative, "Competing products in the minds of target consumers." Sunshine feedback is taken from the customer to know that the customer has needs and then improve the products are made. The Sun focuses on clean and fresh foods to create a clear and unambiguous position in the minds of customers, the Sunshine has a strong brand and market leading in baking items.

6) CURRENCY RISK:

Rupiah is facing as a riskier currency and any risk-aversion will certainly lead to down more than the rest. "It is quite possible that the Bank Indonesia intervened although usually in small quantities." The Indonesian rupiah gets lower at 11,583 per dollar of 15:25 in Jakarta, it getting weaker for its currency according to Bloomberg. The Korean won rose 0.3%, to 1,379.5 and the Singapore dollar fell 0.2% S \$ 1.5223.

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