

Global marketing test questions argumentative



**ASSIGN
BUSTER**

Sinar Sosro Private Limited is the first company that introduced bottled jasmine tea to the public in Indonesia in the year 1940. The family started their business in Central Java, Indonesia which then expanded their market to Jakarta, Indonesia. Initially, the jasmine tea was brewed on the spot and served to the consumers. However, after they expand their market to Jakarta, they realize that the consumers find the tea that was brewed on the spot find the drink is too hot to be consume.

Thus Sosro come out with a new strategy, the bottling system. In 1970, they came out with the first design of the bottle where tea was pre-brewed and bottled when it was cooled down and thus sell it to the consumers. The design of the bottle changed again in 1972 and 1974, which the latter design was used till now. Today, there are 4 different products which are under Sosro Logo. They are Bottled Sosro tea, Sosro Fruit tea, Sosro Teabag and Sosro Joy Green Tea.

In addition to the local market, Sinar Sosro had also penetrated to the overseas market mainly by exporting their products in Tetra Pak and can packages to several countries such as Malaysia, Singapore, Brunei Darussalan and several countries in the Middle Eastern countries, Africa, Australia and United States. In this report, I will be investigating and analyse the opportunities exist in Singapore for Sosro brand product which is the Sosro Teabag which comes from Indonesia.

Singapore is known as one of the best country in the world for having the suitable environment for business. Located at the crossroads of the international trade routes, it is a constant top choice by multinationals

organization to invest their money in. Singapore is known as a multi-cultural country with its diverse ethnic group, thus the varieties of cuisines are always in need. Food and Beverage business is one of the major business in Singapore and there is always a market for investors under this sector.

Below, we will be analyzing the environment of Singapore and it is chosen to be the destination of the product. **GEOGRAPHIC** Located in the central of South East Asia, Singapore has one of the major advantages in doing business through their sea routes. The availability of the international and domestic transportation as well as the natural seaport had allowed Singapore to be one of the important hubs in the international trading. Changi Airport, the international airport of Singapore allows the country to connect with more than 180 countries in the world.

This location allows them to easily access to all the premier Asian market. **SOCIO-CULTURAL / PEOPLE** With a population of more than 4 million people including expatriates, Singapore is a densely populated island with different races of people living harmoniously together. The people are the main drive behind most of the government decisions which aim to provide a better life for the people. With a population growth rate of 3.1% in 2009, the literacy rate of the population comes up to 95% in total contributes to the economic boom in Singapore.

The increase of the population plays a major part in the increase of the demand especially in the manufacturing field. Singapore is a knowledge based country, thus explained the highly educated people in the country. According to the Labor Force Evaluation Measurement report, Singapore has

the best labor force in the world. Many of them have high productivity, technical proficiency, work hard and work smart culture. With professionals coming from all over the world, they bring extensive knowledge and professional expertise as well as experience which also contributes to the welfare of Singapore.

The distribution channels for the food and beverage industry in Singapore can be divided into two main sectors. They are through retailers (includes wet markets, shopping malls, and supermarkets) and food services (e. g. hotels, restaurants, airlines). When it comes to distributing the products, many of them are controlled by local suppliers and their agents. Many of the channels prefer to purchase the products directly from the suppliers if they have large order quantity, for example, NTUC Fairprice and Cold Storage.

However, for those who have a smaller order quantity will purchase their products from reliable suppliers. INFRASTRUCTURE Constant upgrading of the country's infrastructure, Singapore remains as one of the most sought after country by investors to do their business. It is also ranked as Asia's top convention city which had hosted some of the world's most prestigious events. Depending on the size or nature of the business, investors can choose to set up their operations in an industrial/business park, own establishments or move into a readily available commercial buildings.

As it is a technology savy country, Singapore tries to use technology to build up their efficiency and approximately 99% of the population have access to internet broadband network. Singapore political system is one that depicts laws, decides priorities and sets regulations using a rational and pro-business

approach. It have a vision of bringing the country to the front line of the industrialized nations with its stable and orderly government. Singapore government emphasizes its efficiency and effectiveness in every walk of life.

As it is run with integrity and transparent, investors can set up their business in an efficient manner without any hassle, bureaucratic delays or the need to pay corrupt officials. According to World Bank's report, Singapore is rated strongly for government effectiveness, regulatory quality and control of corruption. Singapore government reviews their policies and programmes and takes extreme measure to restore their economy back to stable as quickly as possible if they come upon economic crisis.

Development of Singapore laws reflect and awareness of the need to recognize and accommodate the investors with their current international business and commercial practices. As there are clear-cut laws regarding working hours, minimum wages, industrial protection and taxation, Singapore makes an attractive place for investors to set up and operate their businesses. **ECONOMY** One of the major reasons of doing business in Singapore is the economic factor. Being a member of ASEAN (Association of South East Asia) and FTA (Free Trade Agreement) allows Singapore to be of the best destination to do their business.

As part of the member of FTA, Singapore had signed an agreement on the Common Effective Preferential Tariff (CEPT) scheme on 28 January 1992 which aims to eliminate tariffs and non-tariff barriers in the region. Other than Singapore, countries who are part of the ASEAN had also signed the agreement. Investors also enjoy a range of benefits such as preferential

access to certain sectors, attractive tax regime, liberal immigration policies and intellectual property protection. Taxes are always an important factor that all investors take into consideration.

One of the unique advantages of Singapore is that they have low corporate taxes. Companies that earn profit up to SGD 300, 000 are imposed with 9% tax and it is capped at 18% for the amount more than that. Furthermore, Singapore follow a single-tier tax policy which means investors will be able to receive dividends tax free. In order to move away from direct taxes, Singapore government have adopted a more broad based consumption tax which is known as Goods and Services Taxes (GST) which is 7%. Intellectual Property Protection is taken seriously in Singapore.

Investors or companies are able to register their trademarks in Singapore and also to apply for global trademark registration. In order to promote their economy, Singapore government had also established few programmes which is to assist investors to improve the efficiency and explore new opportunities. The availability of loans, grants and tax incentive as well as equity financing gave many investors the reason to invest in Singapore.