

# Cowgirl chocolate case

Business



**ASSIGN  
BUSTER**

MISSION STATEMENT: None; one of the ways they tried to raise funds for Marilyn and her husband "High Ground" magazine. PROBLEM DEFINITION: How to can Cowgirl Chocolates, an award winning products, re-define its products and market target to become a profitable business? PORTER'S FIVE FORCE According to the name of the business cowgirl Chocolate, its packaging and pricing, we define market strategy in the chocolate industry. New Entrants (high because of low entry barriers) • No special knowledge required (e. g. technology) • Low start-up cost Ingredients readily available Bargaining power of buyers (low): • Product is differentiated; can't get any spicy chocolate elsewhere Bargaining power of suppliers (high) • only company offering spicy chocolate Rivalry (low) • Competitors as defined in the spicy chocolate industry is low because of the uniqueness of the cowgirl chocolates Substitutes: (highEST; fight that by capitalizing on the product differentiation after re-defining the product) • Other chocolates from competitors - different flavorsSWOT Analysis Strengths: • Product differentiation: innovative exceptional combination of cayenne and chocolate; meet needs of a specific niche market of spice and chocolate fans.

- Quality: usage of premium (best & freshest) ingredients
- Flexible return policy: customers who dislike the spicy chocolate truffles have a full refund guarantee; it facilitates trial purchase for inquisitive consumers.
- Personalization: Personal notes in orders from the Web site to build customer satisfaction.

Weaknesses: High production cost: high cost of packaging, ingredients, travel expenses, etc... • No tailored mission statement for cowgirl chocolate business • Unfocused: No market research, no product

definition, and dispersed target market due to uncertainty of consumer base;  
poor distribution Opportunities: • Expansion of online retail sales • Rising  
preference and loyalty for American/locally produced goods. • Recent reports  
that (dark) chocolate and spicy foods contain health benefits • • Changing  
tastes: desire for nutritional products • Increased importance of  
holidays Threats: • Increasing obesity trends: some diets or consumer  
backlash against chocolate as a weight control measure. • Other successful  
chocolate companies that have the means to successfully replicate the spicy  
chocolate idea • Steady increase of minimum wages • Greater  
environmental concern (what type of packing is used? ) FOUR A's  
Acceptability (product): Affordability (price): Availability (place): Awareness  
(promotion):