

Football and basketball essay sample

[Sport & Tourism](#), [Basketball](#)



22. 11. 12Case StudyDarling Chocolate (Group 7) 1. The population is very huge in St. Petersburg and therefore there is high sales potential. The population has experienced improvements in living conditions and material well-being; however the standard of living was not that high and incomes are still very low. The annual average growth of income was 23% and average annual inflation rate was only 12%. The average spending on food is about 56% of family budget. Only 2% of monthly expenditures for food are spent on chocolate and candy.

Due to several reasons the attitude of Russian consumers is more or less negative towards imported (foreign) products. They perceive that domestic products are at least as good as foreign products. So, in general they prefer domestic products. Hence, it is not very easy to create brand awareness, because Russian consumers are very skeptical and do not trust advertising blindly. Chocolate is mass consumption product. Hence, all people are potential buyers. Russian consumers were desiring and increasingly demanding more variety in all kinds.

The market can be divided into two categories, box chocolates which are seen as more luxury products and are often used for gifts; and chocolate bars which are used for personal (more spontaneous) consumption. The market experiences seasonal ups and downs; for example Christmas and New Year Holiday season and Women's Day are very important times for selling chocolate. The intensity of consumption is around 4 kilograms per person per year. Consumers can be divided into heavy, medium and light user. There are many companies, foreign and domestic, are competing on the market.

Foreign companies had been very successful due to low prices and aggressive advertising, but in recent years most consumers prefer domestic brands. The top three Russian companies in this business are Krupskaya, Azart and Red October. One of the most important characteristics entering the market in St. Petersburg is the price because it for customers it is the main decision criteria for purchasing or not. The second one is the specific target group due to the fact that different groups prefer different tastes, ingredients and quality.

Additionally, the competitors are very important to take into consideration. In order to achieve brand awareness and to get acceptance from the Russian customers as a foreign brand the advertising expenditures are very high. 2. It seems to be very difficult to succeed as a foreign company in the Russian market, because customers are quite price sensitive and focused on domestic brands. Therefore, we recommend entering the market with chocolate bars first in order to create higher brand awareness due to higher sales in volume.

With those products the company has lower costs for production, experiences economies of scale and can offer lower selling prices. Additionally, the heavy users which spent the most amount of money on chocolate are targeted with this strategy. Besides, customers rely on opinions of others word-of-mouth advertising could be a benefit. Finally, an aggressive and huge advertising campaign is useful. After having brand awareness, the introduction of higher priced (luxury) chocolate could be easier. However, a good quality is necessary. . The most appropriate customer is the Heavy User, because those people are buying chocolate

continuously and spontaneously. More or less, the younger and mid-aged target group should be the aim, because older people rely on their experience and are very loyal to domestic products. Advertising depends on the available budget for this project. In general we would recommend a very aggressive advertising campaign using nearly every media that is available. One reason is that there is a high level of competition.

Very important in this case is advertising on Metro-trains and busses as well as at Metro and bus stations. At those points a lot of people spent much time and recognize the ads repetitive. Moreover, our aimed target group is usually using these opportunities of transport and people are often commuters. This kind of “travelling” enlarges repetition effects and reinforces brand awareness at no additional costs. Additionally, advertising on TV and Radio has to be done as well because those are very important media in Russia to reach the target and therefore to create brand awareness.

However, TV is preferred over Radio (although it is more expensive) because you can sell your message easier by pictures. Adverts in newspapers are also important because 70% of households read a daily newspaper. It is also a good medium to offer coupons and give away. But in order to reach younger people and advertise colorful (brand awareness) magazine has to be used for advertising as well. 4. The most important thing could be to convince the people that a foreign company is able to fit the needs of the customers in Russia. Therefore, it is very important to sell products with high quality at an affordable price.

In order to get a higher market in whole Russia the company has to spread to Moscow and other important cities. Additionally, the product portfolio has

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to be enlarged to reach more people. At first, the introduction of higher priced products (box chocolates) is necessary in St. Petersburg. Depending on the time this introduction could be most successful when there is Christmas Holiday or Mother's Day when people are seeking for special gifts. Probably the company can think about a production plant in Russia, employing domestic people, lowering transportation costs etc. getting a more positive image.