

Marketing plan of ffm

Business



BTEC EDEXCEL HND DIPLOM IN BUSINESS (MANAGEMENT & HUMAN RESOURCES) OFFERD BY INTERNATIONAL COLLEGE OF BUSINESS AND TECHNOLOGY MARKETING PLAN UNIT 4: MARKETING PRINCIPLES ADHUHAM RASHEED BM 41 CITY CAMPUS SUBMITTED TO: MS. INOKA GUNARATHNE DATE OF SUBMISSION MARKETING PRINCIPLES Acknowledgement INDIVIDUAL It is an honor to thank Mr. Mohamed Waheed [Managing Director of Felivaru Fisheries Company], who's encouragement, guidance and support from the initial to the final level enabled to develop an understanding of the current situation about the company and market. Adhuham Rasheed BM/C/41/22

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MARKETING PRINCIPLES Executive Summary INDIVIDUAL Felivaru Fisheries Company (FFC), a fish exporting company located in Maldives, has been in business for 39 years exporting canned tuna for all over the world. During the time the company has built strong image in both international market and domestic market.

However recently the company has been separated from the mother company (MIFCO) and established as a new company. With this change the company has diversified its production line by introducing fast food items. For the upcoming 40th Anniversary Felivaru is planning to launch a new product to domestic market. Felivaru Lobster Bisque" which is a soup of French origin as the original founders of the company was French. The soup has been modified to the taste of Maldives by replacing the whine with a new secret formula found by Felivaru researchers. Felivaru believes that this new product would increase the market share of the company and would be a " HIT" in domestic market.

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BM/C/41/22 Page IV MARKETING PRINCIPLES 2 Introduction INDIVIDUAL Felivaru Fisheries Maldives Ltd (FFM) was in the business of manufacturing and exporting canned fish (fishing industry) for the past 39 years in different brand names. However the company, was re-branded as Felivaru Fisheries Maldives in June 2009 after separating from the “ Mother company” MIFCO.

Science then the company has diversified its production line by introducing fast food items, specially “ Ras Ainu” products. The 100% government owned company has the capacity of processing more than 40 mega tons of canning and cooked frozen lions with the help of a cannery which has the

capacity of canning 30 tons of raw fish in 8 hours shift (operate in 3 shift daily) and a fish plant which could produce 40 Mega tons of meat daily. At present 7 vessels are been used to collect fish from all over the Maldives and been stored in fish storage capable of storing total 650 tones (Felivaru, 2010). 2. Vision To become the leading fish processing and Distribution Company in Maldives, for both local and international markets, through maintaining high quality and achieving total customer satisfaction. (Felivaru, 2010) 2. 2 Mission We are committed to quality fish products, produced from sustainability caught fish, which will enhance customer satisfaction, through our constant ISO- certified and HACCP complaint system. We are also dedicated to becoming the most profitable leading global provider of a variety of healthy fresh and frozen fish products. (Felivaru 2010) 3 Current market position of Felivaru 3. Product The products of Felivaru can be divided in to 3 different product lines named as Ras Ainu, canned fish and fertilizers. The details of these lines are being show in a figure 1 on next page as the product mix of Felivaru. BM/C/41/22 Page 1 MARKETING PRINCIPLES Figure 1 Product mix of felivaru Felivaru INDIVIDUAL Ras Ainu Canned Fish Fertilizers Thera fana Rihaakuru (fish paste) Valhoo mas (Dried fish) Foni ma gulha Disku Roshi Mas' mirus (chili paste) Foni kaaja Foni roshi Theluli ban'bnukeyo Kulhi uvaali Kulhi kaaja Athu jeheli Havaadhu (curry powder) Kukulhu (chicken) Mas (fish) Lonu'mirus (chilies)

Tuna steaks In oil In olive oil In sunflower oil In spring water In brine Tuna chucks In oil In olive oil In sunflower oil In spring water In brine Fish meal
 BM/C/41/22 Page 2 MARKETING PRINCIPLES By analyzing the market share of products in the Ras Ainu product line Rihaakuru, INDIVIDUAL Foni kaaja,

Theluli Ban'bukeyo, Kulhi kaaja, Athu jeheli and Havaadhu can be considered as a " Hit" each capturing more than 60% of market share becoming the leaders in the market.

Although this both Thera fana and Foni ma gulha were just able to gain enough market share to be the market challenger by obtaining a market share of 25% to 30% each while Disku, Roshi and Kulhi uvaali can be considered as a " Flop" unable to secure more than 10%. Moving on to canned fish product line Tuna steaks in brain can be considered as the " King" of European market gaining solid 39% market share. Simultaneously other steaks products also became market competitors by acquiring a market share of more than 19%. In domestic market tuna chunks in brain has ruled counting the number to a superb 60%.

Other chunks products also have a market share of more than 30% except tuna chunks in olive oil, which only could capture a market share of 7%. Felivaru is the one and only producer of fish meal in the domestic market. Due to the fact of its preemptive advantage they were able to gain a perfect 100% in domestic market. However in international market Felivaru fish meal could only gain 16% of market share. 3. 2 Price Canned fish 3. 2. 1 For the products exciting in canned fish product line, there are numerous competitors competing in the market.

Due to the fact of this economy pricing policy has been applied to the products in this product line. NAME Canned Tuna Chunk in Oil 48can/Case Canned Tuna Chunk in Brine 48can/Case Canned Tuna Chunk in spring water 48can/Case Canned Tuna Chunk in olive Oil, 48can/Case Canned Tuna Chunks in sunflower oil 48can/Case Canned Tuna Steak in Spring water
<https://assignbuster.com/marketing-plan-of-ffm/>

24Can/Case Canned Tuna Steak in Olive Oil 24Can/Case Canned Tuna Steak in Oil 24Can/Case Canned Tuna Steak in Brine 24Can/Case Canned Tuna Steak in sun flower oil 24Can/Case Felivaru price 817 756 864 912 888 435 456 423 393 444 Competitors price 817 756 864 912 888 435 456 423 393 444

Table 1 Price list of Felivaru and competitor (MIFCO) BM/C/41/22 Page 3

MARKETING PRINCIPLES Table 1 shows the prices of Felivaru and MIFCO (the major competitor) in the market. Their re no such difference in the prices of products in canned fish product line. However it is company's policy to give discounts on bulk buyers. The discounted price is shown in table 2 below.

NAME Canned Tuna Chunk in Oil 48can/Case Canned Tuna Chunk in Brine 48can/Case Canned Tuna Chunk in spring water 48can/Case Canned Tuna Chunk in olive Oil, 48can/Cs Case Canned Tuna Chunks in sunflower oil 48can/Case 100-249 cases 813. 20/751. 49/860. 37/910. 19/885. 1/250-499 cases 809. 21/747. 80/856. 70/908. 89/883/11/500-999 cases 808. 22/744. 12/854. 10/905. 67/880. 78/- INDIVIDUAL 1000&> cases 797. 25/736.

75/852. 60/903. 98/878. 18/- Table 2 discount price on bulk buying from Felivaru 3. 2. 2 of competitors. NAME Felivaru price Competitors price Ras Ainu To the products in the Ras Ainu product line currently prices are been charged quite high due to lack Thera fana Rihaakuru (fish paste) Valhoo mas(semi dried fish) Foni ma gulha Disku Roshi Mas' mirus (chili paste) Foni kaaja Foni roshi Theluli ban'bnukeyo Kulhi uvaali Kulhi kaaja Athu jeheli Kukulhu (chicken) Mas (fish) Lonu'mirus (chilies) 0 GRM 400 GRM kg 75 GRM 5 PCS/PKT 10 PCS/PKT 82 GRM 180 GRM 120 GRM 75 GRM 200 GRM 200 GRM 220 GRM 115 GRM 115 GRM 115 GRM 10. 50/250/127. 50/14/9/6/22.

50/17/12. 50/14. 82/21. 50/25/23/23. 50/23. 50/23. 50/-
 9/250/120/15/9/5/20/15/12/13. 50/21. 50/23. 50/22/23/23/23/- Table 3 Price
 list of Felivaru and competitor (ARI Maldives) Table 3 shows that most of the
 prices of Felivaru product are grater then competitors. However as
 mentioned early in 3. 1 Felivaru is the market leader. The reason for this is
 competitors do not have BM/C/41/22 Page 4 MARKETING PRINCIPLES enough
 production capacity to supply.

However when MIFCO comes to the market on second quarter with their
 mass production capacity the supply would be increased forcing Felivaru to
 reduce the price in order to remain as a market leader INDIVIDUAL 3. 2. 3
 Fertilizers A different pricing policy named penetration pricing strategy is
 been castoff on fertilizers. In 2010 the prices has been set relatively low in
 order to attract new customers and gain more market share. The minute this
 goal was achieved the price has been increased in different phases. NAME
 Fishmeal 25? KG/BAG Felivaru price 250 Competitors price 280

Table 4 pricelist of Felivaru and competitor (THAI FISH, THILAND) 3. 3 Place
 At the present only tuna chunks products and fertilizers are being exported.
 The main markets for those products are there in Asia and Europe while all
 other product excluding chucks product are been sold in domestic market.
 Currently in international market products are been available on selective
 areas according to demand. Though this in domestic market, Felivaru
 products can be purchased from almost each and every retailer outlet near
 consumer residence. Therefore it can be concluded that intensive
 distribution is being used in domestic market.

In domestic market three distribution routes are being used as distribution network which has been shown next page in figure 2 BM/C/41/22 Page 5 Figure 2 current distribution roots in domestic market MARKETING PRINCIPLES INDIVIDUAL COMPANY OWN SHOP (FELIVARU MAS FIHAARA) COMPANY (FELIVARU) COMPANY (FELIVARU) WHOLESAILERS (STO) RETAILERS Concumer RETAILERS CONCUMERS CONCUMERS However a different distribution network is been used to distribute products to international market which is been shown below in figure 3 Figure 3 International Distribution network

COMPANY (FELIVARU) AGENTS WHOLESAILERS RETAILERS CONCUMERS Distribution network used both by Felivaru and MIFCO (Major competitors) is almost same. BM/C/41/22 Page 6 MARKETING PRINCIPLES 3. 4 Promotion INDIVIDUAL At the moment Felivaru use advertising as the primary method of promotion. However sales promotion are also been done to attract consumers. The main mean of advertising currently used is television advertisement. In domestic market the advertisement are currently aired from four different TV station (TVM, VTV, Dhi TV, and Raaje TV) for at least 6 times a day.

Also Felivaru is the main sponsors of TVM news program which is on air for 5 times a day and a show which is considered as a hit. 4 Market overview Except Disku, Roshi, and Kulhi uvaali all other product mix is likely to provide opportunities, however those products [Disku, Roshi and Kulhi uvaali] has already considered as flops. Therefore it's better to stop the production of those products and concentrate on new product to replace it. 5 SWOT 5. 1 •

• • • • • 5. 2 • • • • Strength 44 years of experience in producing and exporting canned fish (Felivaru, 2010). Heavily known in domestic market.

The quality of the product match EU standard and many other international standards. Existing plant can be used for production of fast food items in export quality. Enjoys free trade inside EU zone. There is a huge brand loyalty for our canned fish (Tuna chunks) in domestic market. The one and only manufacture of Fish meal in domestic market. Weakness Huge competition with competitors in both international and domestic market. Recently separated from the “ mother company” MIFCO and has been formed as a new company, due to the fact the company has not yet been well structured.

Felivaru has little or no experience at all in international market for selling fast food. Existing 7 vessels are not enough to collect fish from atolls of Maldives. BM/C/41/22 Page 7 MARKETING PRINCIPLES • line. 5. 3 • Opportunities The supply network of “ oil and water” often gets delay, causing a halt in production INDIVIDUAL The 8 countries of SAARC nation are going to establish a free trade ring in between SAARC. Felivaru has an advantage of dominating the market of canned fish in this free trade ring. • • Printing the labels in their same factory instead of out sourcing it to local printing presses.

Increase the number of fish collecting vessel, which could lead an increase in supply of raw-fish, 5. 4 • • • • 5. 5 Threats The number of fish caught all over the Maldives has been dropping over the past years science 2007 (please refer appendix 2) The price of Diesel continues to raise, which had a direct effect on the price of rawfish (please refer appendix 3) The price of

Euro (€) continues to depreciate against Maldivian currency since 2008, reducing the revenue generated in (RF) rufiyaa (please refer appendix 4)

Fake product in the name of Felivaru Key issues and opportunities Issues . 5.

1 • • Needs to go under a restructuring program to find a solution of not being well structured The company's existing 7 vessels are not enough to collect fish from atolls of Maldives which is spread over 90, 000 Square Km.

Therefore either more vessels re needed collect fish or could build some collection stations in few areas with a storage facility and the existing vessels can be used to transport the collected fish from station to factory in Felivaru.

5. 5. 2 Opportunities Legal action can be taken against sellers who sell fake product in their out let under both international law and new copy right law established early this year. Also awareness program through

necessary mean could be done to consumer how to BM/C/41/22 Page 8

MARKETING PRINCIPLES • identify the fake product. This way could stop the selling and buying of fake products in the name of “ Felivaru”. INDIVIDUAL

Could find new suppliers without depending on one. 6 6. 1 PEST

Political and legal factors • • • • • • Frequent increase on the Percentage of

GST Exporting lobster meat is prohibited (Visahq, 2012) Foreign vessels doing fishing in Maldives is banned under EPA Fishing law number 87/5

#Article 5 (A) (EPA, 2011) Catching pregnant lobsters and young lobsters (less than 25 CM) banned (EPA 2011) Frequent changes in Government Only

pole and line fishing can be used to catch fish outside the reef of island Economic factors • • The economy is dependent on tourism All most all the

products consume in Maldives are been imported from other countries . 2 6.

3 • • • • 6. 4 • • Social and Cultural factors Growing number of people who

believe women's should not go for work People don't like to work in labor industries Most of the people are educated and more than 95% of people know how to read and write. Majority of people like western food and their life style Technological factors There is not much growth or change in the industry Internet is becoming popular BM/C/41/22 Page 9 MARKETING PRINCIPLES 7 Competitors Analysis 7. 1 Porter's five forces model 7. 1. 1 Competitor Rivalry [High] INDIVIDUAL

Existing companies in the canned fish industry is facing competition from both domestic and international brands which lead to increase promotional cost. 7. 1. 2 Potential entrant (Threat of new entrance) [low] The threat of new entrant is low as huge investment is needed to set up a fish canning factory and run it. 7. 1. 3 Suppliers [low] Bargaining power of Suppliers will be low as there are many suppliers in the market who could supply the water and oil used in the production. Also there are thousands of fishing vessels in the country. 7. 1. 4 Buyers [high]

The bargaining power of suppliers would be high as there are many substitutes available in the market. 7. 1. 5 The treat to substitute [high] There are substitutes from other companies like MIFCO which has little or no difference. 8 Assumptions Felivaru expects to increase the collection of fish from the new boats or fish collecting station which would increase the production by 10% to 20%. With the help of this increase in production it is expected to increase the export of chunks by 15%. The prices of oil and water used in canned fish production are expected to be same however the price of fish is expected to raise 4% during the year. Objective The purpose of this marketing plane is to launch “ Felivaru Lobster Bisque” to Maldivian

Market on the 40 Anniversary (7th November). BM/C/41/22 Page 10

MARKETING PRINCIPLES 10 Strategy 10. 1 Brief description about strategy

INDIVIDUAL Lobster bisque is a creamy and smooth soup of French Origin. It contains Milk, Lobster, Wheat, and Clam. The product is designed in such a way that it only requires to be heated in high temperature for 3 minutes in microwave oven (time vary on temperature and also can be heated in a normal cooking store).

0. 2 Target market The target market of “ Felivaru Lobster Bisque” can be segmented to 4 main different segments • • • • Sea food lover’s People who live a busy life People who proffer’s western life style Age between 15 to 45 However more than 95% of the population who fits to the above criteria lives in male’. Therefore it could be concluded that the target market for the product is male’.

10. 3 Positioning statement Similar to all other Felivaru products the slogan would be “ GENUIN MALDIVES”.

Felivaru lobster bisque is the one and only fast food soap in the market and also the first product made from lobster in Maldives. Therefore the product will be marketed in such a way to get the loyalty of lobster lovers and soup lovers. Also a unique formula has been used to replace the wine in the soap designing it a way as a “ Halal” product.

10. 4 Branding Strategy The brand name for this product is “ Felivaru Lobster Bisque”. As the Bisque is made by Felivaru from lobster the name “ Felivaru Lobster Bisque” gives a simple and easy understanding of what the product is to its customers.

The reason behind choosing an English name is almost all people in the target market would understand English and also by changing the name of the product Felivaru do not want bring any difference to the dish name converting it in to Dhivehi. Correspondingly France is a growing market in

Maldivian BM/C/41/22 Page 11 MARKETING PRINCIPLES 10. 5 Product Strategy tourism industry and the English name would attract them to this French origin soup and would help them to identify the product. INDIVIDUAL Felivaru Lobster Bisque is a sweet and creamy soup of French origin re-designed by replacing the wine in it with a unique and secret formula to make the product Halal certified to 100% Muslim society of Maldives. The main advantage of Felivaru Lobster Bisque is its easiness and fastness in preparing. Just a 3 minute heating in microwave and the bisque is ready to eat. The bisque is packed in a plastic cup which is 9 inch long and has a diameter of 6 inch. The plastic cup is covered with a paper label which gives information about the bisque.

In order to make it easy to distribute 24 cups are been packed in a box as a case. 10. 6 Pricing Strategy The price of Felivaru lobster bisque is set on per cup basis. Factors such as taxation, cost marketing and cost of production will be considered during the pricing of the product. The total price of a single cup of lobster bisque is MRF 20/- adding only 2% of profit margin as the pricing strategy set by Felivaru for the product is penetration pricing. This is due to the fact that the product is a totally new kind of product for Maldivian market.

Due to the fact of low pricing strategy at the present Felivaru do not provide any discount, however when the market share is gained and price of product increases discount will be given to bulk buyers. 10. 7 Distribution Strategy The distribution strategy for Felivaru lobster bisque would be selective as the product is the one and only product of its kind in the market. The product would be placed in the areas where middle and high class people live. The <https://assignbuster.com/marketing-plan-of-ffm/>

distribution route would be same as other Felivaru products discussed in 2.3 shown in figure 2.10.8 Promotional strategy 10.1 Sponsorship The sponsorship one of the most popular shows among youth “Voice of Maldives” a song competition aired on TVM. It is expected to cost MRF 75000 to 100000. During the show of 1 hour 15 minutes is allocated to Felivaru as a main sponsor for BM/C/41/22 Page 12 MARKETING PRINCIPLES bisque voice of Maldives” advertising the product. Also the name of the show would be rebranded to “Felivaru lobster INDIVIDUAL 11 Conclusion During the 39 years in the market Felivaru has gained experience in production of products that suits the mouth of Maldivians.

It is expected that Felivaru Lobster Bisque in the future goanna be a major product that generates a huge proportion of profit. Also with this experience Felivaru Plans to launch different flavors of bisque to the market. BM/C/41/22 Page 13 MARKETING PRINCIPLES 12 References INDIVIDUAL PA, 2011, Law of fishing in Maldives [online] Available at; <http://www.epa.gov.mv/images/stories/laws%20and%20Regulations/2011/Fisheries%20%20Law%20.pdf> EPA, 2011, Protected Marine life [online] Available at; <http://www.epa.gov.mv/images/stories/laws%20and%20Regulations/2011/Protected%20Marine%20Life.pdf> Felivaru, 2010, Capacity and Infrastructure, [online] Available at; http://www.felivaru.com/?page_id=35 Felivaru, 2010, Felivaru, [online] Available at; http://www.felivaru.com/?page_id=14 Visahq, 2012, Maldives Customs, [online] Available at; <http://maldives.visahq.com/customs/> BM/C/41/22 Page 14 MARKETING PRINCIPLES 13 Appendix • Appendix 1 (detail of products on “Ras AINU” product line) Thera fana INDIVIDUAL Thera fana is a traditional sweet short eat, made for the

special occasions. The product is made from rice flour, sugar, and adding colour to decorate.

The rice flour is mixed with sugar and colour adding hot water in to it. After mixing it is separated in to very small portion and each turned in to a circular shape by using hand. After finishing this product will be sun dried to make it crunch. • Rihaakuru (Fish paste) Rihaakuru is obtained through following a simple but timeconsuming procedure. The extract is the result of hours of cooking of tuna in water (rain water most preferable) and salt (to taste), while carefully removing the scum (filleyo) that keeps forming.

Once the tuna pieces are cooked and ready to eat or store, they will be removed from the water, as well as the bones, heads and fish guts. The pieces of Tuna, so cooked, get eventually processed into Maldives fish. The remaining “ fish-soup” is left with ‘ Bondi’(balls of tuna scraps scraped off the bones), and is kept boiling in low fire until most water evaporates. The resulting concentrated fish soup becomes a thick paste which is known in Dhivehi as Rihaakuru. The colour of the paste varies from light brown (the lighter the quality is high) to dark brown. •