

# Marketing strategy for vietnamese pomelo



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The company is one of big pummel suppliers for Vietnamese market, our main product is Dad Khan pommel, translated into English to be Green peel pommel, which is mild sweet, no pip, sections of fruit are succulent and peeled easily. We grow them in large garden and has distributed throughout Vietnam. Now we want to challenge in a new place, foreign market. Australia and Canada are developed countries, these areas are broad but inhabitants just focus on some states, for example, New South Wales or Victoria in Australia, and Ontario or British Columbia of Canada.

More than that, lots of overweight people here, thus they are potential markets for us to export shocked. This report aims to analyze conditions in two nations, proposed suitable strategies for entering and select the best one. The first part is researching macro-environment by applying PESTLE analysis. Hangman (2008) explained that it is a framework to investigate external factors that impinge nebulousness, refer to Political, Economic, Social, Technological, Environment and Legal.

The second part is Marketing mix (APS) – the term applies to depict four inputs that constitute the core marketing system for organization, including Product, Price, Place and Promotion (Cain 2010). Understanding the market and product help us to find out the effectiveness strategy for penetrate which is shown in the third part. Finally, the company makes decision and gives some Justifications for the choice. Australia's PESTLE analysts Political factor Australia, official name is Commonwealth of Australia, is a federal parliamentary democracy.

There are many parties there but Liberal party and National party are two main ones, however, all decisions have to be censored by National assembly, this ensure Australia's political is stable, Therefore, unpredictable risks that may damage our benefit are not happen frequently. Australian Customs and Border Protection Service (2013) explains that Australia's tax law separate in value of import goods. If this value is higher than A\$10,000, exporter need to submit import declaration form (8650) and paying GST (Goods and Services tax). By contrast, trader just has to apply Self Assessed Clearance (SAC) declarations.

This rule effects on deciding how many pomelo should export to this country in short-term and long-term. Because this is test market, we just export goods with value under A\$10,000 and we hope it will increase in the future. Economic factor 2556510937260 Australia has expanded economy for more 20 years. GDP 2013 of this country was 1488 billion US dollars, ranked 12th compare to whole of the world (Solemnizes, 2014). Moreover, Economy Watch Content (2010) reported that GDP composition in Australia focuses much on services (71.3%), agriculture occupies only 3. % and the remaining

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percentage is for industry, while Pearson (2013) said that the demand for using vegetable and fruit is highest compare to the developed countries. Consequence, this nation need to import fruit and vegetable from the world. In cent years, unemployment rate in Australia has fluctuated slightly but in general, it has gone up to 6 percent of Labor force in the beginning of this year, according to Trading Economics (2014). This website also explained the reason was the moving from full-time to part-time employment; full-time worker fell by 7. 00 people while rose by 3. 400 people in part-time worker. However, Australia's Disposable Personal Income has improved to more 260 thousand ADD in 2014. These may show that people in this country work more, get higher income and purchase more wanted products, it is a potential for investing there. Social factor Australia's population is around 23. 3 million and going on increasing (World population review, 2014). Among them, about 300 – 350 thousand Vietnamese and this community is the third largest ethnic group, according to Thinness's statistic (2005).

Vietnamese community almost live in New South Wales and Victoria, account for 40. 4 percent and 36. 5 percent respectively of Vietnamese community's population, they are also two crowded states of this nation. Vietnamese people prefer using Vietnamese products, especially specialties because of familiar flavor, hence this is a chance for developing selling pommel. In addition, 28. 3% of adult Australian is overweight, ranked 4th beside developed countries and New South Wales has 79% of people are obese. (Pearson, 2013) That's why, reduce weight may become high demand and easier for selling pummels in this country.

Technology factor The stages to have shocked for exporting are done in Vietnam, thus technology factor in Australia is irrelevant to our business. But in general, technology in this nation is developed, Internet users in 2013 were more than 18.1 million and it is sky rocking (Politest, 2013). This is the good change for company to introduce product wrought this channel.

Environment factor Pummel grows in tropical climate, where is little high degree of heat and not much different temperature between day and night, as CB (2009) explained. Australia's climate is diversity because of large size of geographic.

Northern part's climate is tropical, but there is nearly 242 thousand people in this region (Australian Bureau of Statistics, 2013), account for only 1.05% of country's population, thus, lack of people for planting pommel. Consider other places where lots of people live as New South Wales (7.439 thousand) and Victoria (5.69 thousand), the main atmospheric condition are temperate and grassland, which are not suitable for shocked developing. Therefore, Australia almost cannot plan and need to import this fruit. Legal factor Australia is one of the countries that taxes corporate highest, 30 percent.

This rate has unchanged since 2006, so companies feel secure about the stableness of legal system (KEMP, 2014). For food import laws, Australian Government Department of Agriculture (n. D) reports that the government asks all foreign food have to satisfy obscurity requirements, based on the Australia New Zealand Food Standards Code. This standard applies for all sale food in Australia, ether imported or produced domestically. Therefore, the company needs to check products carefully before export to get

persistence of foreign government and build long term relationship with customers.

Canada's PESTLE analysis Same as Australia, Canada is a democratic country with parliamentary democracy. Conservative Party and Liberal Party are two main parties of this country for a long time. In the 21st century, the rise and becoming the second large party of New Democratic Party has reflected the decline in popular of Liberal Party. But in general, lattice in Canada is stable. No many events happen suddenly and frequently. Canada and Vietnam have maintained the really good relations. In 2013, two countries celebrated 40 years diplomatic links anniversary.

Government of Canada (2013) noted that bilateral trade between Vietnam and Canada has grown steadily over the last decade. Two-way trade turnover has reached the highest level, with nearly 1. 46 billion dollars in 2011. The import turnover from Vietnam got \$ 1. 3 billion, while exports turnover reached nearly 300 million dollars. Canada import large number of products from Vietnam, it means Vietnamese products, including melon, are not really hard to enter and are welcomed in Canada. Economic factor Economy of Canada depends closely on US economy.

In 1989 and 1994, there was increased in economic and trading of Canada based on signing FETE (Free Trade Agreement) and NONFAT with the US. Therefore, economic policies of Canada have to change in relation to the US, and any minor change can also impact on Canada economy, as Economy Watch Content (2010) mentioned. GAP of Canada in 2013 was \$1. 5 trillion and expected to reach a peak in 2014 thanks to Aqua's strong growth (CB

news, 2013). Besides, Statistic Canada (n. ) estimated that unemployment rate has declined year by year, from 8. 1 percent in 2009 to 6. Percent in the beginning of this year. It is read as Canadian life has improved, the living standard is higher and they require for more healthy food, involving shocked. More than that, economic freedom of Canada was ranked 6th in the 2014 index, average tariff rate is 0. 9 percent (Heritage Foundation, n. D). These things show that Canada is a potential market and not difficult in entering this market. For agriculture sector, Agriculture and Agric-Food Canada (2013) shows that import and export agriculture products in Canada ranked the in the world, with the value was \$31. Billion and \$40. 3 billion, respectively. This information reaffirms that Canada may be opened to welcome imported quality pommel. All of these things make Canada become nearly the most attractive country for investing. Social factor According to Worldpopulationreview (2014), Canada's population is nearly 35. 2 million. However, 68% of population is immigrant, including 250 thousand Vietnamese. Among them, more than a quarter of adult are obese, Banana (2013) stated that the state of obesity is rising more than the last 30 years in Canada.

In edition, changing in agriculture sector affects to need of consumer and societal, customers are asking for more convenience, more diversify and healthier combine with high quality and safety (Food Secure Canada, 2014). For these reasons, shocked would become a good choice for taking of weight without any harmful to health. Technology factor Internet World State Usage and Population Statistic (2012) estimated that the Internet users in Canada

were occupied 83 percent of population, for using Facebook only, there were more than 18 million users.

These show that this country approach genealogy, including information on the Internet really fast. The company can apply this good signal for advertising products on these channels. Nevertheless, Canada is leading 67 in investing numerous money in R; D (Industry Canada. N, d). In 2011, gross domestic expenditure of the country for this field was \$29.9 billion, increased 2% from 2010. In more specific, Government spending on agriculture's R&D has been gone up over the past four years, \$561 million in the 2011-2012 fiscal years.

This spending is important for productivity growth and competitiveness in the future, according to Statistic Canada (2013). The data is an ominous sign, this nation may research and trying grow this fruit because of advantages of pummels. If they succeed, our products cannot compete due to no transport and export costs, theirs is much cheaper. Environment factor Canada's area stands second in the world, after Russia. The climate there is predominate by utmost cold and long winter. Only 8 percent land area can gar and forest take more than 30 percent.

Moreover, sometimes storms happen and destroy Canadians life.

Government report that around 80 tornadoes appear eve year (USA Today, n. D). As a result, agriculture products nearly cannot grow in HTH entry, it is perhaps not a good decision to develop pommel in Canada, because large costs and risks. The country may prefer imported this. Legal factor According



to Canada's law, pummels is considered as Fresh fruits measured " FRR Fruit and Vegetable Regulations under the Canada Agricultural Products Act".

These laws include some requirements about quality, packaging, labeling and so on. The most important regulation is to prevent the spread of pests or diseases on fruit. Canadian Food Inspection Agency (2013) emphasizes that:

Commercial importer fresh fruits and vegetables must have a Produce License issued by the Canadian Food Inspection Agency or be a member of the Dispute Resolution Corporation ( To prevent the introduction and spread of plant diseases and pests, fresh fruits vegetables are subject to the Plant Protection Act and Regulations.

Consequently Canadian Food Inspection Agency requires import permits and/or Phytosanitary certificates for certain fresh fruits and vegetables from specific countries or states. Therefore, the company has to test product carefully before export. Marketing Australia Target market

2310130265430. Based on the table, New South Wales and Victoria are two crowded states in Australia, account for 32. 2% and 24. 82% of population respectively, with the area take just 10. 4% in New South Wales and 9. 9% in Victoria of the entire Australia.

Therefore, entry to these states first can help the company reduce distribution cost. Pomelo has many health benefits, especially reducing weight. Nevertheless, pomelo's sour taste is not favorite flavor of elder, men and child. Further, transport and export cost has pushed the price up, this fruit is just popular for women with a quite high average income. That's why, our target markets are obesity people and a little high average income women

from 15 to 40 years old New South Wales and Victoria. Product The whole fresh pommel will come to Australia, but consumers will get ready for sections of this fruit.

To make sure that the fruit is fresh, we will export whole shocked. The company's product have received Global GAP, a standards for go agricultural practices in the production, harvesting and post-harvest handling (Global. A. P, n. D). To get the certificate, in the seed choosing stage, the seed is t and bought from only one company, grow in expert check frequently gardens a trained farmers to make sure all pommel have same quality. Because of thick pee fresh fruit not rotten much through transport, our firm will put them in bamboo basket for export.

Each fruit is cover by chitchat film, which can prevent dryer antibacterial, non-toxic to humans and the environment and keep fruits fresh d 2 months (Hung Cat, 2006). In the label, some information about name of the company, origin of the fruit, expiry date and product code are written in English Price Shocked is a new fruit in the country, there is no Vietnamese competitor, and this product does not add any more value for consumers beside its own fruit benefits, so customer value-based pricing and competition-based pricing are not suitable.

Cost- based pricing, in more specific, cost-plus pricing strategy is more correspondence, which is “ the most important element of pricing is the cost of the component resources that make up the offering” (Beanies et. Al, 2013). The cost for growing fruit is about 31. VEND a kilogram, equal to 1. 6 Australia dollars. Transport cost, export fee and others, also revenue for

company have push the price to consumer is 120. VEND, equivalent to \$6 ADD for one kilogram. This price is not expensive so we hope pummels can become daily desert.

Place The company hopes that our shocked will be popular and is used daily, so we take Intensive distribution, the strategy in which companies distribute products in all outlets in the trade area, as Boone & Kurt (2012) said. For this reason, the company will allocate pommel to supermarkets and convenient stores, where Australian spends around \$120 per week for buying food (Spencer, S and Knobble, M. 2012). Moreover, lots of Vietnamese live will impulse to develop street market, where no VAT in buying and is preferred by Vietnamese, hence, we distribute products to there as well.

Promotion: According to Nickels, G & McHugh, M (2005), promotion is technically aims to help business to inform, persuade, remind and encourage customers to buy products and learn more about the business. Through promotion, company can sell products more and faster. With regard to shocked, it's possible that Australian has not much knowledge about it, hence the first thing we have to do is introducing this fruit and its benefits, one page in some health or beauty magazines are an appropriate way.

Moreover, advertising through internet also the good idea. The business's website hat has all information about company, fruit's interests, where can buy and others way to use pommel besides eating, such as cooking, squeezing, etc. We will create a page on Faceable as well – the social network that 40% of Australian visits every day (Godlier, 2013). On this page, we will publish the real cases of decreasing weight by eating pummels

or update new dishes making from this fruit besides repeat quite frequently advantages of shocked.

By these ways, the company present to customers our product and we hope they will transmit to their friends and this fruit will be popular. Marketing mix for Canada There are some companies have exported pummels to this country, hence this fruit is not really new in Canada. To be different, our product is pommel fruit Juice, which has sweeter taste. We target women from 18 to 40 years old, children in fairly high income families. More than that, we believe that Vietnamese will prefer Vietnamese product, so Vietnamese community is also our target market.

Ontario and British Columbia, where the most crowded Canadian live (38. 4% and 13. 1% respectively) and they are also the places where Vietnamese concentrated most (45% and 18% of total his community, respectively), as Statistics Canada (2014) reported. Therefore, these states will be chosen for location to entry. Product There are 2 types of paper box pommel Juice, sweetened and unsweetened. Sweetened pommel Juice mainly intended for children for using as beverage, while unsweetened one is reserved for women, who want to have a beautiful skin.

These products are produced in our company, by squeezing fresh shocked Juice and paper packing system, with the capacity of 4. 5 million boxes per year. We will pack 6 boxes per block, consumers can use for a week and 5 blocks in a paper box for using one month. The label support information about benefits of product, ingredients, nutrition, origin, direction for use and expiry day, all of them are written in both English and France. Price Cost-plus

pricing is the most appropriate strategy for our product. However, distance between Vietnam and Canada is 7190. Miles, double to from Australia (3214. 4 miles) (Distance From To. N, d) so transport cost is much higher. In addition, the company exports ready for use Juice, it means we produce in Vietnam, so the price must cover cost of production line, employees, fee for training and so on. Plus all of costs, pricing for consumers is \$7 ADD per box. Place Vietnam Trade Promotion Agency (2009) pointed out that most revenue of retail sales in Canada came from supermarkets, convenient stores and retailers, hence, they are efficiently channel to ship our Juice to consumers.

More than that, vending machines is also our distribution channel, to help the users buy pummels Juice anytime and anywhere. Promotion Because of high transporting cost, the price of our product is a little expensive compare to other beverages brands, we do not choose advertising via television or magazines, which may push the price is extremely expensive, thus free product samples will be applied in this nation. We will distribute sweetened sampling in front of some primary schools and give a sticker if parent buy a block.

About unsweetened juice, because of sour taste, our employees Just send to women from 18 to 40, combine with leaflet to introduce or remind benefits of what they are drinking, in supermarkets and beauty salons. Strategy for entering new market Preliminary screening According to Francis Criminal (2010), preliminary screening is a method to eliminate the not potential enough markets based on macro factors. We analyze and compare between nations and choose the market for entering.

Table 1 Market relaying screening (high score is better) Country Population  
Income Distance Obesity rate Score New Zealand 20 40 25 85 4975 Australia  
70 50 40 75 5975 Papua New Gutter 30 15 60 55 4025 Weights 15 30 20 35

Table 1: Preliminary screening in Oceania markets Source: World Population review (2014) and Heritage (2014) Based on the table 1, Australia's population and income are much more than two ones, means lots of people can buy what they want besides need, including pommel. Compare two other elements of these countries, obesity rate in New Zealand is highest, but distance from Vietnam is so far, transport cost will be pushed up.

Papua New Guiana is nearest Vietnam, yet this nation's income is not high and not much people overweight, it will be difficult to sell our product there. All factors support of choosing Australia, where lots of overweight and high income people, and transport cost is average. Mode of entry This is the first time the company attempt international market, we would Just send small volume with the value is under A\$OHIO and use the simplest strategy for entering Australia, export – which means produced in domestic nation's products or services are shipped to foreign market(s) (Shoran, 2006).

Exporting has two types, erect and indirect, after considering both of them, we pick direct export. Delaney (n. D) commented that this method may take more time and money, also higher risks, but potential profit is larger (due to less intermediaries), can control more in aspects of transaction, may target direct customers and receive product feedback faster, etc. Process entry The most important condition for bringing fresh fruit out of Vietnam is has Global GAP certification and our products have already got it.

In Australia's import gate, we need to submit the import permit and SAC certification (because shipment's value is under A\$10,000) (Australian Government Department of Agriculture, n. D). After customs clearance, they will be moved to some Vietnamese household in Cabaret (in New South Wales) and Springtail (in Victoria), places that numerous Vietnamese live, to peel and package. These employees are trained to do the work fast while ensure sections are intact and hygienic conditions. Finally, these are distributed to retail outlets.

Canada Conditions in America market are nearly appropriate for exporting pomelo, plenty of people and many of them are overweight. Nevertheless, large of competitors have arrogated this market, especially China and Indonesia, our product is not really different from them, not easy for us to compete. Consider to Brazil, obesity rate is low. More than that, the climate is tropical, pomelo can grow in this nation, it is hard to rival domestic businesses. That's why, we focus on Canada, all elements are medium, the risk is not high and more facile for us to enter.

Table 2 Market Country Population Obesity rate Distance Competition Score  
 At-NCAA 60 60 55 20 4300 Canada 15 40 65 50 4400 Brazil 40 20 35 30  
 3100 Weights 20 20 20 40 Table 2: Preliminary screening in Europe markets

Source: World Mode of entry Because of distance between Canada and Vietnam is much farther, the company budget cannot cover cost of applying other enter market strategies such as Joint venturing or Direct investment. In addition, Export EAI export management (n, d) indicates that the two main distribution channels in Canada are import brokers and domestic dealers.

For these reasons, entry method for Canada is Indirect exporting, selling shocked through an intermediary. This strategy reduces the chance for company to contract directly with consumers hence lost opportunities to get experiences about foreign market. However, by relying on experienced distributor, the company will decrease money and time for researching market and find out suitable retail channel. Process entry Having finished production with the most fresh fruit material, pommel Juice is packed and prepared for exporting.

To get through Vietnamese Customs, our products need food safety and hygiene certification, which is issued by Competent Agency of Vietnam, besides customs procedures, according to Buy(2013). Arriving Canada, Food inspection agency of Canada (COIF) will check consignment and its information such s product brand name, ingredients' list, packaging material, expiry date, origin and so on (Canadian food inspection agency, 2014). Finally, the distributor will take over our Juice and help us to allocate to outlets. Justification for the optimal choice of Both Australia and Canada are attractive markets.

However, we want to test foreign market and the budget is not plenty, we can select only one of them. Considering PESTLE analysis, Marketing mix, appropriate entry strategy and almost other sectors of two countries, we found that Australia is more suitable and this market become our choice. Some reasons for the decision are: Australia is a wealthy country. Australia is a democratic, stable society and one of the sturdiest economies in the world. During the economic crisis from 2008 to 2012, Australia was one of the few countries had escaped and continued to develop.

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This nation has grown up for 23 years without being interrupted, from 1991 to 2013, according to New Zealand Trade and Enterprise (n. D). In addition, economic freedom of this country in 2013 was ranked 3rd, means things like trade, investment, business, property and so on are free, it is better and easier for doing business there. Australian government (2014) said that Vietnam and Australia have built good relationship for more than 40 years. Besides, Vietnam signed ANZA in 2009 - a free trade agreement between Australia, New Zealand and SEAN with a view to concessionary tariffs for some commodities.

That's why, trading relationship between two nations is really good. Australia is the 4th biggest market of Vietnam (subsequent USA, Japan and China) and Vietnam is top 14th agricultural suppliers for Australia, with the value in 2011 was nearly \$1.3 million (Global Trade . Net, 2011) Australia's population concentrates in some states. Australia area is significant large, but population in only New South Wales and Victoria accounts for more than 50 percent. They are the company's target states too. These regions stand side by side, hence we do not need to go far to distribute pummels.

If we choose Canada as the test market, the distance will be double Australia, and then, we have to ship around 2100 miles more to go to British Columbia from Ontario, this pushes the price much higher and cannot attract consumers. Vietnamese live in Australia (350 thousand people in 2006) are more than in Canada (about 300 thousand people). Despite this community is not our target segment, 70 percent Vietnamese in Australia concentrate in two states that we want to test (Vietnamese in Australia, n. D), so serving

customers there includes Vietnamese. Demand for using Vietnamese specialty fruits is high.

Research a market in Cabaret-a suburb of Sydney, where Vietnamese heavily concentrated in the early of the sass, my friend, Lieu (2014) found that one kilogram orangutan takes \$19 ADD or A\$III for a quarter of Kiwifruit and these products sell well. This means Vietnamese trend to buy native fruits, especially shocked has not been there yet. Furthermore, Vietnam Beauty (2008) noted that in Lunar New Year, almost Vietnamese make a display of AMA Eng Qua (five fruits tray), including pommels, kumquats, peaches, persimmons and bananas on ancestral altar to aim at showing gratitude and praying for safe and sound for new year.

Consequently, shocked brings to Vietnamese not only benefits for health but also spiritual values. Obesity rate in Australia is much high. As we mentioned before, number of obese Australian ranked 4th in developed countries, overtake Canada and around 79% people in New South Wales depend on his group. That's why, inhabitants there is fighting again this issue by many ways, of example, doing exercise, reducing food ration, using slimming pill or eat more fruits and vegetable.

However, many researches indicate that, slimming pill has some negative effects, such as elevated pulse, increase blood pressure, insomnia, dizziness or constipation and so on (Resist The Internet Drug Index. N, d) . While Wicks (n. D) stated that using only fruits and vegetables can help you anti food cravings, then eating less and reduce weight without any harm in health. According to research of Fuji (2013), by eating half a pummels everyday

makes consumers not only do not have desire for food, also reduce fat, but not induce sunken cheeks or lessen chest size of women.

One more thing, Vietnamese shocked has not come to Australia yet, the company is the first one, so our brand will have a deep impression in the consumers' mind. If we make a good job of introduce our brand and product to Australian, we will have a big chance to develop and get footing on expanding into other regions. Export directly has more benefits The company will export shocked directly to customers. This strategy requests us t aka responsibility for researching the market, shipment and distribution fruits in foreign market by ourselves, even how to collect payments.

Nevertheless, direct exporting method needs few intermediaries, the company does not share benefits of lots of parties so profit is much. In addition, we can make decision what are our target segments based on advantages of our product and demand of the market. We also can conduct the transaction step by step, if something does not work, we know who is accountable for and how to improve it. Last but not least, selling shocked directly to customers means introduce our brand as well. The customers know the origin of what they buy and feel safer for purchasing in the future.