

# Bateel marketing analysis



**ASSIGN  
BUSTER**

## **I. Current Marketing Situation**

### **Company Background**

Now a world-class brand in the premium confectionery industry, Bateel started with a simple concept, offering a unique range of high quality products to a well-defined market segment in an upscale and elegant retail environment. The concept was also unique, offering a selection of products not available from any other source. Bateel's strong appeal to consumers in various target market segments is based on our strategy and ability to consistently develop and produce the highest quality products and maintain an innovative merchandising and distribution system.

Bateel's success is anchored on a strong production and marketing organization, which is vertically integrated and includes farming, processing, manufacturing, and premium retailing functions. Bateel now specializes in the production and distribution of a complete range of dates, and date and non-date gourmet confectioneries. The company is headquartered in Riyadh, Saudi Arabia with a regional office in Dubai, UAE and employs over three hundred people.[1]

### **Company Products**

There are mainly four 4 product lines that are produced by the company, and they are:

#### **1. Dates**

Bateel offers more than 20 varieties of high quality dates including famed Naboot Seif, Sokari, Kholas, Sekki and Khidri. Most of these date varieties are available in fresh, Rhutab and the traditional Maknooz recipe.

## **2. Chocolates**

That includes, Date Chocolates, Pralines & Truffles, Bateel Wrapped Chocolates, Sugar Free, Figure Chocolates.

## **3. Pastries**

That is pastries and biscuits, Each is made with high quality Bateel dates, in addition to other ingredients, pastries are made from fresh natural ingredients and do not contain preservatives or artificial dough conditioners. All pastry items are baked by Bateel under strict, quality controlled conditions and are kept refrigerated until they are sold.

## **4. Other gourmet products**

Bateel dates and chocolates are complemented by an exclusive selection of date and non-date specialties, such as date bars, sparkling date juice drink, Turkish delight and other delicacies. These delicacies are made from the finest natural ingredients, free of preservatives, with recipes designed to satisfy the most demanding connoisseurs.

Other products are:

Date Jam, Sparkling Date Drink, Fruit Cake, Date Bar, Turkish Delight, Marrons Glaces, Date Dhibs, Date Dhibs Syrup, Honey, Apricot, Fig, Date Honey Fig Roll, Date Cantucci, Date Panforte, Date and Walnut Cake, Fig and Walnut Nougat, Nougat Bar, Clementine au Chocolate, Bonbons, Date Calisson, Pate de Fruit, Premium Italian Coffees Condiments, Olive Oil, Date Balsamic Vinegar and Nuts.

## **5. Pre-packed specialties**

Those are the Bateel selective product packed as gifts.

**Company Branches**

The company has many branches in different countries as follows:

**Africa with one branch:**

- Sudan with one branch.

**Asia with eight branches:**

- India with two branches.
- Indonesia with one branch.
- Malaysia with two branches
- Pakistan with three branches.

**Europe with total of two branches:**

- Azerbaijan with one branch
- United Kingdom with one branch.

**Middle East with twenty two branches as follows:**

- UAE with eight branches in Dubai and 3 branches in Abu Dhabi.
- Jordan with one branch
- Qatar with one branch
- Oman with one branch
- Bahrain with two branches
- Kuwait with two branches
- Kingdom of Saudi Arabia with 4 branches.

**Product lines allocation as per the BCG matrix:****Product lines BCG allocation analysis:****Dates:**

Allocating Dates between Star and Cash cow is due to that Bateel is well known for dates, as they are as well high in demand comparing to other

product at Bateel and due to the business is typically specialized in producing dates with different flavors and fillings, moreover, the product is not new in market and the people are already aware of it and demand it, therefore it has a high market share and growth.

**Chocolates:**

In Bateel chocolates have low market share besides that they have well known competitors in this product line who are much specialized in chocolate products therefore they tend to be in low demand at Bateel. On the other hand chocolate is considered to be a growing market as reported by [3]AC Nielson's Retail Audit estimate the UAE chocolate market at AED 546 million with a growth of 27% by value and 14% by volume – MENAFN Press-08/10/2008. In addition to some companies are being keen to produce chocolate out of camel milk with high quality after a recent study the reveals that the chocolate market in the UAE is strong with 98% of respondents claiming to consume chocolate at least once a week – [4]29 October 2008.

**Pastries:**

Dates Pastries at Bateel are not much known and people are not much aware of it unlike other well known non dates pastries producers, hence, they are to be in low demand at Beteel and low market share due to that they are not given enough attention by Bateel in terms of marketing and advertisement. On the other hand On average, daily consumption of dates per capita was 114. 3 g, equivalent to 10 date fruits. However, it was noted that the younger population does not consume dates as much as the older population does. Nevertheless, surveys showed the significance of dates in the UAE

nation's diet considering the relatively high average consumption of dates per capita. Copyright © 2006 Society of Chemical Industry[5].

And due to that reason Dates in Bateel is ranked as first product chosen by consumers furthermore that can be used as strong impulse to enhance the production of Dates pastries.

**Other gourmet products:**

Basically recently there are many specialties stores specialized in gourmet products such as [6]“ Gourmet Station” that is considered to be the largest store in UAE in producing unique unlimited gourmet products unlike other small specialty stores that have limited Dates gourmet products like Bateel which in contrast can be an advantage as its considered to be healthier in ingredients.

**Product line chosen:**

Our product line chosen is Pastries, which includes Date “ biscuits” and Date “ cookies”.

**Why pastries?**

The reason behind selecting this product line is that dates are healthy in the first place especially for kids, low in cost, high in nutrition, available most of the years, would be preferred for parents and adults to serve it to kids instead of other type of sweets, freshly and creative baked dates pastries are always preferred particularly for banquets and weddings mainly for adults and old aged consumers though it was noted that the younger population does not consume dates as much as the older population does[7].

On the hand, there aren't any competitors who are " specialized" in producing " Dates Pastries" unlike Bateel, as there isn't much who is creative and innovative in date's pastries.

Moreover, it requires little investment due to the main raw material " Dates" apart from other ingredients is low in cost and available most of the year.

**Target Market:**

The target market are adults, males and females aged 18 and above, all social statuses, all nationalities and religion, residents and visitors from all over the UAE those of income AED 3000-AED 6000 annually and who are able to pay for high quality dates products, assorted and professionally and elegantly packed and arranged for purchase and sell to targeted customers for their special occasions and events.

**II. Macro Environmental Factors and Opportunity and Issue Analysis**

Macro environment comprises of a number of forces that an organization cannot control. These factors affect the efficiency of an organization, its decision making process and its performance. These are considered to be external forces such as economy (GDP per capita, inventory levels, economic growth, inflation rate, unemployment rate etc.), social cultural factors (demographic factors – religion, age, income level, and attitude of consumers and cultural structures), natural factors (hurricanes, flood etc.) and competitive factor. The macro environmental factors are of grave importance to the UAE market as confectionary market adds maximum to the food exports of UAE. Since the market is considered to be among the top 10 largest markets in the world, environmental changes need to be studied so as to predict future changes in the environment as the analysis of the <https://assignbuster.com/bateel-marketing-analysis/>

threats and opportunities helps the organization to be at par with the changing scenario. The main factors affecting the organization at macro level are

### **Economic Factors**

There are a number of scenarios which are observed in an economy such as prosperity, depression, recession and recovery. In an era of prosperity, the GDP of a country increases making its standard of living high pushing it on the road to success. The economy of the UAE is very strong mainly because of its oil reserves but it has over the years added to its agriculture which adds about 3 % to the GDP of the nation. It has become self sufficient in matters of food. The sweet and confectionary markets are expanding at a larger pace. The inflow of large number of tourists has also added to the economy and has supported sweet producing corporations. The governmental policies regarding emiratisation have supported local citizens in getting jobs. The higher education undertaken by young lads has added to the economy of the nation. (Economy)

### **Social Cultural Factors**

Society acts as an important factor to the success of an organization. It is vital for the organizations to figure out the needs of the customers, their attitude towards the product produced by the organization. A strong ethnic behavior prevails in UAE symbolizing its tradition which does not provide freedom to the various sectors of society as might be in other European or American nations. Thus, an organization working in such a scenario needs to keep in mind the ideals of its fellow citizens as any act which discriminates or humiliates their feelings could lead to an outrage in the people. UAE has one



of the largest immigration rates in the world because of the incapability of its local people to work with modern ware fares which are carried out by expatriates mainly from the subcontinents. The fast growing population does act as driving force for the industries as it adds to the strength of the man power of the region.

### **Natural Factor**

A company is posed by natural forces depending on the locations it operates. Such a situation if experienced does lead to loss of life and property and loss from such a calamity is an inevitable experience. The two most common ways to react to a change in environment are reactive and proactive response. The optimization of the Marketing Mix helps in the reactive response. One of the 4 P's i. e., places where the product is sold by an organization also called distribution channel both physical and virtual could be optimized to prevent the extent of loss. Most of the companies promote the go-green concept to attract consumers as the urge to make Dubai green had been the top priority in 2008. Since then UAE has always advocated to promote sustainable development.

### **Competitive Factor**

It forms the basis of survival of an organization and fall of another in a market. An organization that understands the needs of its customers more precisely and changes in accordance to the dynamic change in the scenario overpowers and outshines in the market. The analysis of competition is an important strategic tool which helps an organization aware of the strengths and weaknesses of the other companies in its market. Since, the home confectionary market is showing a high growth rate, it attracts various

companies into the market to sell their product. Thus, it becomes very important for the various companies in the field to evaluate the strengths and weaknesses of other companies to remain at par with them. The greater the competition, the more alternatives it provides to the customers. Thus, it becomes main priority of the companies to hold their customers by providing them special offers and something extra from others in the same business.

(Chapter 3 class notes)

### **SWOT Analysis**

It has four tools to strategically plan a business venture. The four tools are to examine the strengths, weaknesses, opportunity and threat in any business to make it a success. Every SWOT analysis has an end result or objective such as in this case it is to help the premium confectionery industry, Bateel become global leaders.

### **Strengths**

- The company specializes in the production and distribution of complete range of dates and it has a high market share and growth in dates as per the BCG matrix in UAE. It produces 20 different varieties of dates which are exported to US adding to their strong market position.
- The presence of stores in various countries, majority of 22 in UAE adds to its distinctive growth in the confectionary market. The own a lot of farms which use extensive high quality machinery to grow and furnish dates. Such a vast capital and being the oldest of its kind creates a strong public image which is a boon for the organization. (UAE Confectionery)

**Weaknesses**

- The chocolates, pastries and non date products are growing fast in market i. e., they have a fast growth rate in comparison to the date products but these products add to less than 20% of the share in the markets. The chocolates and pastries are neither much known nor are preferred.
- The company has large number of stores in UAE but lacks to provide the same performance when compared with the world. On exceeding the boundaries of Arab countries and some of the sub continents, no one seems to recognize the company. It has only 2 branches in Europe and none in American continent. The further growth of company will be restricted if it fails to explore the rest of Europe and America.

**Opportunities**

- The company can advance in the chocolate and pastries selling by increasing their market share and by using better promotional strategies. Since, Bateel strives to provide pastries with date; the pastries offer better nutritional value at reduced prices than contemporary chocolates, yet delicious adding to the benefit it provides and its good image in the markets. Company can take appropriate action according to its state in BCG matrix.
- The date products can be sold to all people in various ages from children to old. The date products are popular in children because of their sweetness but it needs to take into account the people above 18 yrs. The dates being the most natural of all products increase its demand and hence provide opportunity to explore.

**Threats**

- The small market share of the company in the chocolate, pastries and non date products seems to threaten its position in the market. To sustain in the market, it needs to explore a way to exceed its boundaries and shell of date products. The presence of better companies in these products also does not complement its growth. Since the growth rate of pastries is higher than date products, it poses a serious concern in front of the company to take serious actions.
- Considering the environmental factors, pest infestation is the greatest threat to the date industries in UAE which is rising by 2 percent consistently. Such a plague could cripple the strong hold of the industry. (Date Palm Research and Development Program)

**References**

1. Economy (n. d.) Retrieved on March 15, 2010 from <http://looklex.com/e.o/uae.economy.htm>
2. Date Palm Research and Development program (n. d.) Retrieved on March 15, 2010 from <http://datepalm.uaeu.ac.ae/subpages/datepalmcultural.html>
3. Chapter 3 Class notes (n. d.) Retrieved on March 15, 2010 from <http://www.udel.edu/alex/chapt3.html>
4. UAE Confectionery (n. d.) Retrieved on March 15, 2010 from <http://gulfnews.com/mobile/business/features/uae-confectionery-is-the-icing-on-food-export-cake-1.524603>
5. <http://www.bateel.ae/about-thecompany.html>
6. <http://www.bateel.ae/main.html>
7. [http://www.menafn.com/qn\\_news\\_story\\_s.asp?StoryId=1093215036](http://www.menafn.com/qn_news_story_s.asp?StoryId=1093215036)

8. <http://www.thedubailife.com/home/news/news-sports/worlds-first-camel-milk-chocolate>
9. [http://www3.interscience.wiley.com/journal/112597329/abstract?CRETRY= 1&SRETRY= 0](http://www3.interscience.wiley.com/journal/112597329/abstract?CRETRY=1&SRETRY=0)
10. [http://www.arabianbusiness.com/545998? tmpl= print&page=](http://www.arabianbusiness.com/545998?tmpl=print&page=)
11. [http://www3.interscience.wiley.com/journal/112597329/abstract? CRETRY= 1&SRETRY= 0](http://www3.interscience.wiley.com/journal/112597329/abstract?CRETRY=1&SRETRY=0)